



**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 21, 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 June 7, 2017**
- 5C. April Financial Report**
- 5D. May Financial Report**
- 5E. Plant Operations Report**

6. ACTION ITEMS:

6A. ADOPTION OF THE FINAL BUDGET FOR FISCAL YEAR 2017-18

- 1. Hold a Public Meeting; and
- 2. Review, Consider and Approve a Budget for Fiscal Year 2017-18, including Resolution Nos. 2017-369 and 370

6B. AWARD OF CONTRACT FOR THE CHERRY AVE SEWER BRIDGE MAINTENANCE PROJECT

- 1. Award a contract for the Cherry Ave Sewer Bridge Maintenance Project to Brough Construction; and
- 2. Direct the District Administrator to enter into an Agreement with Brough Construction, Inc. in the amount of \$280,200.

7. BOARD MEMBER COMMUNICATIONS

8. CLOSED SESSION

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 July 5, 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

06/21/2017 FY 2016/17

VENDORS	BUDGET LINE ITEM	DESCRIPTION	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AGP	PROF SERVICES-AGP	6990/2 MTGS	06212017-2187	19-7080	1,532.50	1,532.50
ALLIED ADMINISTRATORS	DENTAL INSURANCE	Jul-17	2188	19-6025	862.26	862.26
AMERICAN BUSINESS MACHINES	OFFICE SUPPLIES	330821	2189	19-8045	71.28	71.28
ASAP REPROGRAPHICS	AG SEWER BRIDGE	74774	2190	26-8065	342.62	342.62
BANK OF THE WEST	OFFICE SUPPLIES	OFFICE MAX/USPS	2191	19-8045	743.18	1,176.28
	MEETING/COASTAL COMMISSION	HUBNER/SOALS		19-7050	433.10	
BC PUMPS	EQUIPMENT MAINTENANCE	31735	2192	19-8030	1,110.72	1,110.72
BRENNTAG	PLANT CHEMICALS	BPI733872	2193	19-8050	5,490.13	5,490.13
CENTRAL COAST PLUMBING	EQUIPMENT MAINTENANCE	219	2194	19-8045	166.00	166.00
CHERRY LANE NURSERY	EQUIPMENT MAINTENANCE	41120	2195	19-8030	206.06	206.06
CITY OF GROVER	BILLING	MARCH-JUNE 2017	2196	19-7081	7,393.75	7,393.75
CULLIGAN CCWT	EQUIPMENT RENTAL	42783	2197	19-7032	60.00	60.00
CULLIGAN SANTA MARIA	EQUIPMENT RENTAL	64846	2198	19-7032	22.50	22.50
DOWNEY BRAND	OUTSIDE COUNSEL	509162/510755	2199	19-7070	2,508.00	2,508.00
ENGEL&GRAY	BIO SOLIDS HANDLING	78694	2200	19-7085	7,231.05	7,231.05
FARM SUPPLY	EQUIPMENT MAINTENANCE	46631	2201	19-8030	368.34	368.34
FGL INC	CHEMICAL ANALYSIS	781034A	2202	19-7078	5,702.00	5,702.00
FLUID RESOURCE MANAGEMENT	MECHANICAL BAR SCREEN/ HEADWORKS	C15897/2016-B1-11	2203	26-8065	146,548.63	146,548.63
GARING, TAYLOR & ASSOCIATES	PROF SERVICES-AG SEWER BRIDGE	14393	2204	26-8065	2,337.50	2,337.50
GILBERT TRUJILLO	LEGAL COUNSEL	APRIL/MAY 2017	2205	19-7071	17,456.00	17,456.00
GRAINGER	SAFETY SUPPLIES	9465058700/9463837980	2206	19-8056	160.38	160.38
GREEN RUBBER KENNEDY	EQUIPMENT MAINTENANCE	S-566406/2016-B1-02-2016/2016-A1-06	2207	26-8065 19-8030	2,728.71	2,728.71
JESSICA MATSON	WEBSITE	MAY-2107	2208	19-7065	225.00	225.00
JOHN F. RICKENBACH CONSULTING	REDUNDANCY PROJECT	220	2209	20-7080	5,100.00	5,100.00
MICHAEL K. NUNLEY & ASSOCIATES	DIGESTER 1	3458	2210	19-7077	4,206.25	9,076.48
	HEADWORKS	3418		26-8065	4,870.23	
OCSD	UTILITIES-WATER	3/18/2017-5/18/2017	2211	19-7094	1,401.22	1,401.22
POLYDYNE INC.	PLANT CHEMICALS	1143793	2212	19-8050	916.99	916.99
READY REFRESH	HOUSEHOLD EXPENSE	17E0012917373	2213	19-8035	124.07	124.07
SHANNON SWEENEY, PE	PROF SERVICES ENGINEERING	MAY 2017 Inv 1	2214	19-7077	3,080.00	3,080.00
SOUTH COUNTY SANITARY	UTILITIES-RUBBISH	5679503	2215	19-7093	448.32	448.32
SPRINT	COMMUNICATIONS	205201234-143	2216	19-7013	219.29	219.29
STANLEY SECURITY	COMMUNICATIONS ALARMS	14620671	2217	19-7011	64.06	64.06
STATE FUND	WORK COMP	1858792-16 JUNE 2017	2218	19-6080	5,580.67	5,580.67
VWR	LAB SUPPLIES	3885/5003/5682/3886/5681/4967	2219	19-8040	922.74	922.74
WENDY STOCKTON	PROF SERVICES ATTORNEY FEE	MAY 2017	2220	19-7071	7,622.00	7,622.00
SUB TOTAL					\$ 238,255.55	\$ 238,255.55
SO. SLO CO. SANITATION DISTRICT	PAYROLL	PPE 6/9/2017	2221		32,252.68	32,252.68
	CALPERS HEALTH	JULY 2017			18,341.80	18,341.80
	CALPERS RETIREMENT	JUNE PAYROLL			4,043.58	4,043.58
GRAND TOTAL					\$ 292,893.61	\$ 292,893.61

We hereby certify that the demands numbered serially from 06212017-2187 to 06212017-2221 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE:

Chairman

Board Member

Board Member

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

Action Summary Minutes of the
Meeting of Wednesday, June 7, 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
Mychal Jones, Acting Chief Plant Operator
Gilbert Trujillo, District Legal Counsel
Wendy Stockton, District Legal Counsel

2. PLEDGE OF ALLEGIANCE

3. AGENDA REVIEW

There were no changes to the Agenda.

Director Hill questioned as to why the last meeting had been cancelled.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

John Clemons commented on the Board meetings being angry and polarized, lack of leadership at the District and District Administration and District Staff getting together to discuss the ongoing investigation.

Julie Tacker spoke regarding a policy on how to get written correspondence into an agenda packet, correspondence going out that has not been included in the Administrator's Report or directed by the Board, problems with funding for the Redundancy Project, and entering into an agreement with Kennedy/Jenks without discussing the stronger conditions that come with the 30-permit.

Ron Arnoldsen spoke regarding petty comments, former District Administrator John Wallace, District staff on paid administrative leave, and the progressive discipline process.

John Wysong commented on reverse osmosis, all politicians on the Coast should resign, former District Administrator John Wallace, and getting grant funding from the State.

Cinnamon Lofton commended John Clemons for his articulation.

Terri Klier spoke about living in Oceano, upheaval and drama at the Sanitation District, District Administrator and John Clemons working together, and John Clemons passing the Grade V Wastewater Treatment Plant Operator test.

Patricia Price commented on meeting with the District Administrator at the Sanitation District, the Knudson Report, the District Administrator and Plant Superintendent reporting to the Board of Directors, by-laws on a Director not being able to put an item on the Agenda and having a divided Board.

Wayne Mills questioned the Plant being ran by a Grade III Operator.

Lindsey Westgate commented on the Agenda being extremely long and asked if it was due to the meeting being cancelled.

Mary Lucey spoke about changing public comment to 3 minutes per person per meeting, smelling alcohol in the audience, thanked the District Administrator for getting a 30-year permit, how much district staff time is spent on public records request, a public record request for the plant security system video tapes, staff on administrative leave threatening litigation speaking at the meetings and thanked Director Hill for suggesting the 30-year permit from the Coastal Commission.

Colleen Kubel stated not all of the public is on one side or the other and she agreed that everyone should be at the table and get to the truth.

Chairman Shoals asked about the certification requirements for the facility Plant Operator.

District Administrator Hubner advised the Plant is a Class 3 Plant and needs only one Grade III Operator. He further advised the Mr. Jones has a Grade III Operator Certification and the State Water Resources Control Board (RWQCB) has been provided with the information.

Chairman Shoals stated he has asked for respectful comments when the public is speaking, he attempts to give all speakers a fair amount of time when speaking, and he disagrees with the comments made by Ron Arnoldsen.

Director Austin commented on a letter to the Sanitation District from the RWQCB regarding the grit removal project.

Administrator Hubner acknowledged a letter had been received in response to the May 3, 2017 letter regarding the District's obligations. He stated he did not believe the last paragraph of the RWQCN letter is correct. He further stated the District currently has several Grade III Certified Operators.

Director Hill stated he is in agreement with John Clemons comments regarding communication with the Board of Directors, Administration and Mr. Clemons. He further stated he did not think the Board had done enough.

Chairman Shoals closed Public Comment.

5. CONSENT AGENDA:

Director Hill requested all Consent Agenda items be handled separately.

District Legal Counsel advised that District By-laws allow Directors to pull any item off of the Consent Agenda.

5A. Approval of Warrants

Director Hill stated the costs for legal services are abnormally high and he will vote against the warrants.

Chairman Shoals opened the public comment period.

Julie Tacker spoke about the costs of legal services, and the City of Grover Beach charging for having an officer at the District meetings.

Mary Lucey stated that it gives some of the public a sense of security to have a Police Officer at the meetings, and she spoke on the diversion attack by pulling all the items off of the Consent Agenda.

Patricia Price commented on the cost to have an Officer at the District meeting.

John Wysong spoke on reverse osmosis and writing letters for grants.

Chairman Shoals closed the public comment period.

Chairman Shoals stated he will speak to the Grover Beach City Manager about the charges for an officer.

Director Austin commented that having the police at the meetings make it more civil and the costs should be discussed.

Motion: Director Austin made the motion to approve the Warrant Register.

Second: Chairman Shoals seconded the motion.

Action: Motion passed 2 – 1. Director Hill voted No.

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

Director Hill stated the Minutes do not reflect if the speaker spoke in favor of or against any issue.

Motion: Director Austin made the motion to approve the Minutes of April 5, 2017.

Second: Chairman Shoals seconded the motion.

Action: Motion passed 2 – 1. Director Hill voted No.

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

Director Hill stated the Minutes inaccurately reflect the fact the Closed Session meeting continued in his absence nor do they reflect the time of completion.

District Legal Counsel Gilbert Trujillo stated that Director Hill recused himself from the meeting during Closed Session and he, Director Hill, was not present when Closed Session was reported out. Mr. Trujillo further stated he had reflected in the Closed Session minutes that Director Hill had recused himself from the meeting.

(Director Hill recused himself from Closed Session and left the April 19, 2017 meeting at 8:45 p.m. The Board reconvened to Open Session at 9:09 p.m. there being nothing to report from Closed Session the April 19, 2017 meeting was adjourned at 9:10 p.m.)

Julie Tacker asked why Director Hill recused himself and what was his actual time of departure.

Debbie Peterson commented on correcting the spelling of a speaker's name, and objected to the interpretation of comments made by two speakers during the April 19, 2017 meeting.

Colleen Kuble stated that minutes can be used in litigation.

Shirley Gibson suggested the District minutes be more like the City of Arroyo Grande's minutes or Action Summary Minutes.

Ron Arnoldsen agreed with Director Hill's comments and he believed there was a Brown Act violation. He stated the minutes are so subjugated they are not accurate and he wanted his comments of April 19, 2017 to be accurately stated.

Motion: Director Hill made the motion to Table the Minutes until corrections are made.

Action: Motion died for lack of second.

Motion: Director Austin made the motion to approve the minutes with corrections to Closed Session as stated by Counsel.

Second: Chairman Shoals seconded the motion.

Action: Motion passed 2 – 1. Director Hill voted No.

Director Austin suggested the District minutes go to Action Summary minutes.

5D. Approval of Minutes of Meeting of May 3, 2017

Director Hill stated approval of the warrants should be itemized in the minutes.

Chairman Shoals opened Public period.

Julie Tacker commented on the reason the minutes were not approved at the last meeting was due to one of the Board members being absent from the meeting, she wants more than Action Minutes.

John Clemons agreed with moving to Action Summary minutes.

Shirley Gibson stated she did approve one set of minutes but she did not review the second set of minutes.

Ron Arnoldsen said the simple way is to fully quote the speaker.

Mary Lucey commented on the ongoing diversionary tactics regarding the minutes.

Chairman Shoals closed the Public period.

Director Hill stated to add what the clarification was on the warrants and the 10-year Coastal Commission permit was an important part of the discussion.

District Administrator Hubner stated he had provided the clarifications regarding the Warrant Register.

Motion: Director Hill made the motion to Table the Minutes until corrections are made.

Action: Motion died for lack of second.

Motion: Director Austin made the motion to approve the minutes of May 3, 2017.

Second: Chairman Shoals seconded the motion.

Action: Motion passed 2 – 1. Director Hill voted No.

5E. Request Approval to Purchase a Moyno Sludge Pump and Appurtenances for Primary Clarifier No. 1

Chairman Shoals opened the public comment period.

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

Motion: Director Austin made the motion to approve the purchase of a Moyno sludge pump and appurtenances for Primary Clarifier No. 1.

Second: Director Hill seconded the motion.

Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

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

District Administrator Hubner provided a report and presentation on the item recommending Kennedy/Jenks Consultants for the design and construction services for the wastewater redundancy project.

Director Austin thanked the Administrator for attending the Coastal Commission meeting and getting the 30-year permit.

Director Hill asked about the cost of the Coastal Commission conditions for the 30 year-permit.

District Administrator Hubner advised the Board the costs for the coastal monitoring plan would be about \$24-25k. Other costs were undetermined at this time.

Chairman Shoals opened the public comment period.

Julie Tacker stated she was offended that her comments were being characterized she further stated she had asked what costs are associated with the Coastal Commission conditions, the life expectancy, the costs of the site alternative, it is premature to enter into a design phase without a briefing and the site is at risk.

Wayne Mills asked about the difference between wastewater redundancy and the Regional Groundwater Sustainability Project (RGSP).

Shirley Gibson congratulated the District Administrator on his success at the Coastal Commission.

Mary Lucey congratulated the District Administrator on his success at the Coastal Commission. She stated the plant needs upgrades and the redundancy is going to do it.

Patricia Price stated it would be beneficial to see what the guidelines are, and she would like to know more about what the Coastal Commission is asking.

Patty Welsh congratulated Chairman Shoals and District Administrator Hubner for getting through the Coastal Commission and asked if the Coastal Commission meeting was open to the public.

Chairman Shoals closed the public comment period.

District Administrator Hubner provided an explanation and presentation on the redundancy project versus the RGSP, the debriefing was provided in the staff report of May 3, 2017, and the Coastal Commission conditions did not change.

Motion: Director Hill made a motion to approve 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.

Second: Director Austin seconded the motion.

Action: Approved unanimously by roll call vote.

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

District Administrator Hubner provided a presentation on entering into an agreement with the City of Pismo Beach to cost share funding an Environmental Impact Report to support the Regional Groundwater Sustainability Project.

Director Hill stated he was concerned about items in paragraphs 3 and 5 regarding the Regional Groundwater Sustainability Project (RGSP) not the Environmental Impact Report (EIR).

District Administrator Hubner responded to Director Hill's questions.

Ben Fine, Public Works Director City of Pismo Beach, explained the EIR program management fee.

Chairman Shoals opened the public comment period.

John Clemons commented on the deficit of revenues to spending, the EIR not being the same as what the District would do so it is not a savings. He further commented on there not having been a presentation on the project to the Board so they do not know what the cost benefits are.

Julie Tacker commented on the EIR, Pismo wanting the District to spend \$127k so they can have the first step on District property, that some of this seems to be directed at seawater intrusion and the project is premature and inappropriate at this time.

Patricia Price stated she was confused about who pays for what. She asked if all Cities are paying, why the District is paying and what the EIR is for.

Mary Lucey stated she would like to see the EIR move forward.

Ron Arnoldsen stated the District might want to beware of Pismo bearing gifts and he spoke about past experiences with the City of Pismo Beach.

Debbie Peterson spoke about a plan to expand funds with other Cities; she asked if the District had a plan for water credits or guidelines on how the District is protected.

Patty Welsh commented on the drought, keeping our water local and the need to move forward with the project.

Shirley Gibson stated she understood the \$127k was a cap and she supported the EIR.

Ben Fine, City of Pismo Beach, advised the Board they have done outreach and all City Councils Council Members, except one, has been in support of the RSGP. He further advised the Board they do want to put the project on the District property and that District Administrator Hubner has been instrumental in moving the project forward. Mr. Fine stated it was better to have one project and share the resources, a regional project with regional goals. He advised the Board that Pismo was getting the smallest amount of water out of the project, the EIR will look at outside sites, effluent is already there, potable water will be shared and Pismo Beach cannot annex Price Canyon without a vote. He stated that they wanted to provide a reliable new source of water which has not been done for 20 years, and they want to move forward so they have sustainable water.

Chairman Shoals closed the public comment period.

District Administrator Hubner spoke about collaboration of regional agencies.

Director Austin stated she was very comfortable with the project.

Director Hill stated the EIR will discuss feasibility and environmental impacts of the project. He further stated an EIR is necessary for the 1st step. He asked if grant funding for the EIR had been pursued and he commented that this would be the first new water supply in 20 years.

Chairman Shoals said he agreed with the points made by Director Hill and that the EIR will look at alternatives.

Motion: Director Hill made a motion to enter into a Memorandum of Agreement with the City of Pismo Beach to cost share funding an Environmental Impact Report to support the Regional Groundwater Sustainability Project.

Second: Director Austin seconded the motion.

Action: Approved unanimously by roll call vote.

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

District Administrator Hubner provided an update on the District's Capital Improvement Project and Replacement Schedule for Calendar Year 2017.

Director Hill asked why they went back to 2013 Capital Equipment list as a basis instead of using a more current update.

District Administrator Hubner advised 2013 was the last most accurate version developed with cost values that can be trusted.

Chairman Shoals opened the public comment period.

John Clemons the document was used every year, and the District has been using the same tool.

Julie Tacker stated attaching the 2013 list along with a redline version would be good and she asked why a consultant was used.

Patty Welsh said she was confused when John Clemons gets up to speak if he is speaking as a ratepayer or employee.

Chairman Shoals closed the public comment period.

Chairman Shoals asked about the updating tool.

District Administrator Hubner stated he wanted to bring the best expertise, that he engaged the District Operators in the update and he wanted to do a comprehensive report right.

Chairman Shoals asked District Legal Counsel if John Clemons was speaking as a ratepayer or District employee.

Gilbert Trujillo, District Legal Counsel, advised that John Clemons should be identified as an Oceano Community member.

The Report was received and filed.

The Board took a 10 minute break and recessed at 8:35 p.m.

The Board reconvened at 8:45 p.m.

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

District Administrator Hubner gave a presentation on the District's 3rd Quarter Fiscal Year 2016/17 Budget Performance Review.

Director Hill expressed his concerns regarding the revenue falling short of the expenditures by \$250k.

District Administrator Hubner explained the use of funds in Fund 20, utilizing accumulated funds, drawing down the use of funds and the past rate increase.

Discussion was held regarding revenue versus expenditures and the use of funds from Fund 19, 20 and 26.

Director Hill again expressed his concern with spending more money than what is being taken in.

District Administrator Hubner explained the District's revenues and stated he will check in with the actuals.

Chairman Shoals opened the public comment period.

John Clemons stated he had the same concerns as Director Hill. He stated that there should be a \$25k drawn down, and you can't end with more if you spent more than what was brought in.

Patricia Price stated she was concerned that the rate raise funds weren't being set aside for the redundancy project.

Kris Victorine said she was unclear if other accounts are over budget and that using only a percentage is misleading. She stated that without amounts there is no way to determine amounts and a budget to actuals need to be provided to the Board and ratepayers.

Debbie Peterson commented on Fund 20, the Board having discretion to use Fund 20, Fund 20 is for capital, and Fund 26 is not to be used for operations. She further commented if the Board wants to make changes there would need to be Board action to change how the funds are to be used.

Julie Tacker wanted to know who the qualified bookkeeper was and how much it was costing. She commented on the possible need for a redundancy sub fund, to watch project by project, the Board needing to watch the brine disposal services and the Pismo recycling displacing some of the brine to go out the outfall.

Chairman Shoals closed the public comment period.

District Administrator Hubner commented on the reserve policy for redundancy, the need for a separate account for the reserve, tracking the redundancy expenditures, no dedicated revenue, and utilizing the same accounting system as the previous reconciliation. He further commented on one time payments skewing the budget depending on when they come in.

Director Hill commented on the high costs for outside counsel, increased fees for the redundancy project being comingled, and keeping track of the increased rates that collected for the redundancy project.

6E. DRAFT FISCAL YEAR 2017-18 BUDGET

District Administrator Hubner provided a presentation on a proposed Draft Budget for Fiscal Year 2017-18 beginning July 1, 2017.

Director Hill stated he was concerned with a deficit budget; the amount budgeted for outside counsel, litigation being under the current year budget, and the I & I issue demonstrated through plant performance numbers.

Chairman Shoals opened the public comment period.

John Clemons commented on a Resolution that states how Fund 20 can be spent, the Board making Fund 20 discretionary, redundancy rate study breakdown, spending for redundancy out of Fund 20 with fees collected out of Fund 19, transfer of funds out of Fund 19 to Fund 20, the Budget having a deficit for the last two years, the need for a pro forma Budget, and the need to have an extended plan.

Debbie Peterson stated there is a \$300k income showing for waste.

Julie Tacker commented that John Clemons does not have to identify where he is from, District Administrator Hubner saying Fund 20 is discretionary, making the report more user friendly, being held accountable if there is a Resolution stating where the funds need to be spent, having a strategic plan, spending \$5k for security and having a workshop to go through the Budget Fund by Fund.

Kris Victorine spoke about her concerns with the Budget, expenditures exceeding revenues, recruitment costs being a \$30k decrease from prior years, the increase in advertising, legal and recruitment, plant chemicals, not making the same mistake as in the Wallace years, and use of account number changes in Fund 19 Account 1760 and Professional Services Fund 20 Account 8015.

Patricia Price stated she thought having a budget workshop was a good idea.

Chairman Shoals closed the public comment period.

Director Hill stated he thought Ms. Price's suggestions were good.

Chairman Shoals commented on a budget workshop and the rates being raised for other things.

District Administrator Hubner commented on the Budget's focus on investment in equipment, maintenance for the District's facility and not a lot of studies.

Director Austin asked the next meeting be a short agenda and bring back the budget on June 21, 2017.

6F. DISTRICT ADMINISTRATOR AND PLANT OPERATION'S REPORT

District Administrator Hubner provided an update on the Cherry Avenue, Arroyo Grande Sewer Bridge Project, Mechanical Bar Screen, Redundancy Project Coastal Commission 30-year permit approval, financing and loan package, Recycled Water Planning Facilities Study Grant, District Control Building and Office, New Capital Projects, Bio solids Concrete Slab, Primary Digester No. 1 Cleanout received bid exceeded the amount approved by the Board, created a What's Happening on the website and press release, a forensic audit was

performed on the District server and desktop, meet and confer on the PPM, strategic planning workshop currently on hold, working on the audit and getting the fixed assets to the auditor, Regional collaboration, sewer system management plan and brine disposal plan have been submitted and Public Records Act list of requests.

Interim Plant Superintendent Mychal Jones provided an update on a recent violation of high chlorine usage on May 3, 2017. Other than the high chlorine usage the plant numbers are great and plant staff has been busy.

Director Hill stated he would like to hear from the IT Consultant on what he found in the audio tapes.

Chairman Shoals asked if there were trainings coming up soon.

Mr. Jones stated there were safety trainings to planned over safety data sheets and more training in the near future.

Chairman Shoals opened the public comment period.

Julie Tacker spoke of the San Diego training for Mr. Hubner being a conference not training, high level of chlorine being a concern, what will the fine for the violation be, she frequently requests public records, that her request is being mailed, the brine disposal program and Cambria proposed brine disposal to the District.

Chairman Shoals closed the public comment period.

The District Administrator and Plant Operation's Report was received and filed.

7. BOARD MEMBER COMMUNICATIONS

Director Hill spoke of him receiving information from the District by certified priority mail. He commented on the RWQCB letter and the idea that the District was somewhat vague. He asked if the Board or staff had not complied with the Public Records Act.

District Legal Counsel Trujillo stated he was not aware of any violation of the Public Records Act or the Brown Act.

District Administrator Hubner stated they were very clear on what the District was proposing to the RWQCB as an enhanced compliance project and its timeline.

Chairman Shoals stated he was at the meetings when the projects were proposed and he suggested scheduling a meeting with the Chairman of the Water Board to discuss the comment in the letter regarding the grit removal project.

Director Austin spoke regarding public records requests and the fact that not all documents are in an electronic format and have to be scanned. She thanked the public for their comments and stated that at previous meetings accusations were made against District Staff. Director Austin suggested having an agenda item at a future meeting to explain what the Board's responsibility is to defend their Administrator against slander, liable and defamation.

8. CLOSED SESSION

8A. PERFORMANCE EVALUATIONS

Title: District Administrator

Title: District Counsel

8B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Chairman Shoals opened the public comment period.

Patricia Price commented on communication with all Directors, District Administrator being a liaison between the Board of Directors, Director Hill's questions and the answers to his questions being made available for the public, sitting down with John Clemons and District Administrator Hubner.

Debbie Peterson commented on what the Board's responsibility is to the District Administrator, that the Board's responsibility is to their constituents, and if they thought it was appropriate to disrespect a Board of Directors.

Julie Tacker spoke about Patricia Price speaking during Public Comment that District Administrator Hubner had a problem with John Clemons and Amy Simpson. She commented on public records request not being complied with when asking for different compensation reports.

John Clemons commented on potential litigation.

Lindsay Westbrook asked about guidelines for employee evaluations and annual review.

Director Hill commented on the email with his questions were distributed in the spirit of transparency.

Chairman Shoals stated when a Board member ask questions it is common practice that all Board members receive a copy.

Chairman Shoals closed the public comment period.

The Board went to Closed Session at 10:55 p.m.

The Board reconvened to open session at 12:25 a.m.

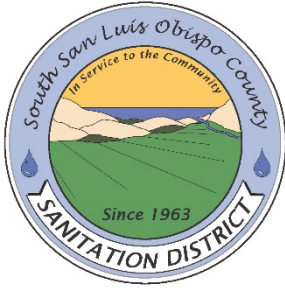
There was no reportable action.

8. ADJOURN MEETING

The meeting adjourned at 12:26 a.m.

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

DRAFT



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

Date: June 21, 2017
To: Board of Directors
From: Gerhard Hubner, District Administrator
Subject: **Financial Review as of April 30, 2017**

Overall Financial Summary

As of April 30, 2017, the District has received total revenues of \$3,994,500. Of this amount, \$3,868,267 is for operating revenues, and \$126,233 is for non-operating revenues.

District expenses totaled \$3,101,353 as of April 30, 2017.

Local Agency Investment Fund

The balance in the District's LAIF account was \$2,435,258 as of April 30, 2017. Quarterly interest was received in the amount of \$4,650 and is included in the noted balance.

County of San Luis Obispo Treasury Pool

As of April 30, 2017, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$3,261,126. The County issues the majority of the District's checks, and the majority of the District's revenues are deposited with this agency. As such, the County provides 'banking services' to the District and provides some accounting documents for internal control purposes.

Rabobank Funds

As of April 30, 2017, the reconciled cash balance in the District's Rabobank account totaled \$151,697. This account has been used to process the District's contracted payroll provider service and other District expenditures.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT **MONTHLY CASH REPORT APRIL 2017**

Cash Balance at 03/31/17 5,589,701.30

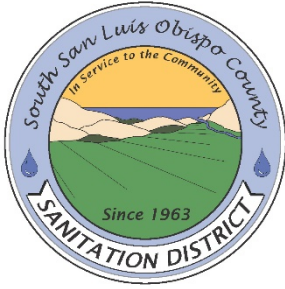
Deposits	\$ 314,337.60
County Treasury Interest	\$ 4,745.49
LAIF Interest	\$ 4,650.10
Deposits from Property Tax Current	\$ 233,946.68
Deposits from Property Tax Delinquent	\$ 24,913.64
Property Tax Fee	\$ -
Warrant Register 04/05/17	(134,965.26)
Warrant Register 04/19/17	(100,336.93)
Payroll 03/31/17	(30,647.47)
Payroll 04/14/17	(30,516.51)
CalPERS Medical/Health 04/17	(18,380.26)
CalPERS Retirement	(8,007.66)
Rabobank April Activity	(153.40)
Adjustment - warrant reg dated 4/5/17	(1,206.39)
Total April Activity	258,379.63

Cash Balance at 04/30/17 5,848,080.93

	CASH BALANCE
Cash by Institution	@ 04/30/17
Cash with County Treasury	3,261,126.35
Cash with LAIF	2,435,258.07
Cash with Rabobank	151,696.51
	<u>\$ 5,848,080.93</u>

difference

\$ -



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Date: June 21, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **Financial Review as of May 31, 2017**

Overall Financial Summary

As of May 31, 2017, the District has received total revenues of \$4,032,249. Of this amount, \$3,898,591 is for operating revenues, and \$133,658 is for non-operating revenues.

District expenses totaled \$3,582,123 as of May 31, 2017.

Local Agency Investment Fund

The balance in the District's LAIF account was \$2,435,258 as of May 31, 2017.

County of San Luis Obispo Treasury Pool

As of May 31, 2017, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$2,818,104. The County issues the majority of the District's checks, and the majority of the District's revenues are deposited with this agency. As such, the County provides 'banking services' to the District and provides some accounting documents for internal control purposes.

Rabobank Funds

As of May 31, 2017, the reconciled cash balance in the District's Rabobank account totaled \$90,056. This account has been used to process the District's contracted payroll provider service and other District expenditures.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT **MONTHLY CASH REPORT MAY 2017**

Cash Balance at 04/30/17 5,848,080.93

Deposits	\$ 13,761.71
County Treasury Interest	\$ -
LAIF Interest	\$ -
Deposits from Property Tax Current	\$ 23,531.44
Deposits from Property Tax Delinquent	\$ 454.80
Property Tax Fee	\$ -
Warrant Register 05/03/17	(431,719.87)
Payroll 04/28/17	(31,582.15)
Payroll 05/12/17	(31,410.80)
Payroll 05/26/17	(31,625.94)
CalPERS Medical/Health	0.00
CalPERS Retirement	(15,917.94)
Rabobank May Activity	(153.40)
Total May Activity	(504,662.15)

Cash Balance at 05/31/17 5,343,418.78

	CASH BALANCE
Cash by Institution	@ 05/31/17
Cash with County Treasury	2,818,104.26
Cash with LAIF	2,435,258.07
Cash with Rabobank	90,056.45
	<u>\$ 5,343,418.78</u>

difference \$ -

Plant Operation's Report

During this reporting period (June 1st - June 14th, 2017) the District's facility continues to regularly meet its Permit limitations as required under the State of California's National Pollutant Discharge Elimination System (NPDES) Permit issued to the District. *All process values (lab test results) were within permit limits.*

Plant Data (Monthly Data as of June 14th, 2017)

June 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	2.31	3.4	487	23		540	24		<1.8	109
High	2.61	4.4	570	23.7		660	30		6.8	*434
Average	2.43	3.69	540.3	23.3	95.7	621	26.5	95.7	2.6	195
June 2016 AVG	2.3	3.4	475	39.9	91.7	448	45	90	15	172
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

*High Daily Chlorine usage was due to filling up back-up chlorine tote and secondary clarifier bug box chlorine tote.

**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

- Varec Bio-Gas performed maintenance services on Flare and bio-gas equipment
- Reviewed and marked U.S.A.'s near District Trunk Sewer Lines
- Drained upper gearbox oil on Primary Clarifier No. 2 and refilled
- Test run of Emergency By-Pass Pump under load
- Began office preparation for new flooring
- Centrifuge:
 - Removed, inspected, and cleaned centrifuge centrate line
 - Cal-Coast Refrigeration installed new evaporator motor and main control board for centrifuge control panel cooling system
- Confined Space Entry:
 - Removed and replaced faulty sump pump
 - Replaced cracked water line in Secondary Clarifier and install new water hammer arrestor
- FFR:
 - Cleaned and inspected FFR orifices
 - Changed oil in distributor drive
 - Cleaned media netting
- Work Orders:
 - Wasted oil removal by Safety-Kleen
 - Performed annual motor maintenance on FFR pumps

- Performed semi-annual FFR VFD cabinet cleaning
- Performed semi-annual maintenance on lab, men's bathroom, and influent pump room fan/fume hoods
- Replaced filter for Control Building climate control unit
- Inspected and removed sand/debris from effluent junction box
- Performed monthly drive unit inspection on primary clarifiers and secondary clarifier
- Performed monthly drive maintenance on primary clarifiers and secondary clarifier
- Performed forklift monthly service
- Performed test run Emergency Generator
- Inspected FFR Pump #1 wear ring clearance
- Performed motor maintenance and amperage readings

Training

- Operations staff participated in training in the operation of the new mechanical bar screens

Call Outs

- No call outs to report this reporting period.



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Staff Report

To: Board of Directors

From: Gerhardt Hubner, District Administrator

Date: June 21, 2017

Subject: **ADOPTION OF THE FINAL BUDGET FOR FISCAL YEAR 2017-18**

RECOMMENDATIONS:

1. Hold a Public Meeting; and
2. Review, Consider and Approve a Budget for Fiscal Year 2017-18, including Resolution Nos. 2017-369 and 370.

BACKGROUND

At the June 7, 2017 Board meeting the Board received a presentation, including written material comprised of a staff report, and associated Budget spreadsheets on a proposed Draft Budget for Fiscal Year 2017-18 beginning July 1, 2017 (Attachment No. 1); provided staff with Board member feedback; and have staff return to the June 21, 2017 Board meeting with a Final Budget for Fiscal Year 2017-18 for consideration and adoption.

DISCUSSION:

Based upon feedback and comments at the meeting, and further internal discussions and recent data, the draft Budget was revised into the final proposed Budget (Attachment No. 2) as follows:

1. Fund 19: Professional Certs/License: Proposed increase from \$1,000 to \$3,000 (\$2,000) to reflect anticipated certifications that are expected in the upcoming fiscal year.
2. Fund 19: RWQCB ACL SEP Regional Groundwater Model: Proposed inclusion of \$222,000 to account for the check to Bay Foundation not being cashed/deposited for this SEP. In addition, the beginning Fund Balance in Fund 19 has also been increased by the same amount to reflect these funds not being expended in Fiscal Year 2016-17.
3. Fund 26. A.G. Cherry Ave Sewer Bridge Maintenance Project: Proposed increase from \$250,000 to \$280,200 (\$30,200) to reflect recent revised bid proposal.
4. Fund 26: Primary Clarifier No. 2 Drive, Bridge, Scaper Replacement, Scaper Ramp and Engineering Support. Propose that this project be deferred to Fiscal Year 18-19 to provide additional funds for the repair of Primary Digester No. 1 in the event it

- requires additional funding. Therefore, proposed decrease of \$320,000, and increase of \$320,000 to Fund 19 (decrease in amount needing transfer to Fund 26).
5. Different project numbers have also been assigned to Professional Services, Electrician/Integrator (now Account No. 19-7062); and Phase I and Phase II Trunk Sewer Video Logging, Jetting/Cleaning and I&I Study (now Account No. 20-8016).
 6. Reserve amount set aside in Fiscal Year 2016-17 in the amount of \$248,990 shown with footnote under Fund 19 Beginning Fund Balance.
 7. Correction from June 7, 2017 staff report on staffing levels. It was correctly stated that staffing levels would remain the same as last fiscal year. The attached position classification and salary schedule table correctly lists the classifications and total number (11) of authorized positions.
 8. Minor wording changes on Budget Spreadsheets.

All other values remain the same in the Budget proposed for consideration today. A public notice announcing this hearing was published in the San Luis Obispo Tribune (Attachment No. 3).

Resolution No. 2017-369 (Attachment No. 4) provides documentation that the Board considered and adopted a Budget for Fiscal Year 2017/18.

Resolution No. 2017-370 (Attachment No. 5) incorporates a salary schedule, position classifications and salary steps within the perspective ranges for Fiscal Year 2017-18. Exhibit A, attached to this Resolution, describes the District's benefit package provided to its employees.

After conducting a public meeting, and considering feedback, staff recommends adoption of the Fiscal Year 2017/18 Budget and Resolution Nos. 2017-369 & 370.

ATTACHMENTS

1. Staff Report on Draft Fiscal Year 2017/18 Budget from June 7, 2017 Board meeting.
2. Fiscal Year 2017-18 Budget, including: Consolidated Budget Spreadsheet; Fund 19 Budget Spreadsheet, with Attachment A1-A2; Fund 20 Budget Spreadsheet; and Fund 26 Budget Spreadsheet, with Attachment B1-B2
3. Public Notice
4. Resolution No. 2017-369: Adopting the 2017/2108 Fiscal Year Budget
5. Resolution No. 2016-370: Adopting an Employee Compensation Package, Position Classifications and Salary Steps within Ranges for 2017-18 Fiscal Year



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SANITATION DISTRICT
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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*

**BUDGET
2017-18 Fiscal Year**

**MEMBERS OF THE
BOARD OF DIRECTORS:**

John Shoals – Chairman
Jim Hill – Director
Linda Austin – Director

South San Luis Obispo County Sanitation District

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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	33,000			33,000
Total Operating Expenditures	2,681,700			2,681,700
Other Charges				
RWQCB ACL SEP Regional GW Model	222,000			222,000
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	322,000	165,000	0	487,000
Capital Replacement/Maintenance				
Capital Outlay				
Capital Equipment	70,500	1,875,000	1,017,200	2,962,700
Total Capital Outlay	70,500	1,875,000	1,017,200	2,962,700
Other Financing Sources & Uses				
Transfers Out (In)	777,200		777,200	0
Total Other Financing Sources & Uses	777,200			
Beginning Fund Balance	1,472,000	3,050,000	240,000	4,762,000
* Includes Reserve \$248,990 from FY 16-17				
Ending Fund Balance	2,535,550	1,163,000	0	3,698,550

**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		1,472,000	
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		6,386,950	
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	
19-7062	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	3,000	
19-7067	Training/Operator Exam Prep	10,000	
19-7050	Memberships/Seminars/Meetings	20,000	
Total Training, Education & Memberships		33,000	
Total Operating Expenditures		2,681,700	
Capital Outlay			
19-8010	Capital Equipment	70,500	Schedule A2
Total Capital Outlay		70,500	
19-7066 RWQCB ACL SEP Regional GW Model		222,000	
Other Financing Sources & Uses			
19-8079	Transfer out to Fund 26	777,200	
19-8077	Contingency	100,000	
Total Other Financing Sources & Uses		1,099,200	
Total Expenditures		3,851,400	
Budget Income (Deficit)		2,535,550	
Fund 19 Ending Balance		2,535,550	

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 Fund 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			
20-8016	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 Expenditures		2,040,000	
Ending Fund Balance		1,163,000	

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

FY 2017/18 BUDGET

Fund 26		FY 2017-18 Draft Budget
Beginning Fund Balance		240,000
Other Revenues		
26-5040	Transfer from Fund 19	777,200
26-5040	Transfer from Fund 20	
Total Other Revenues		1,017,200
Total Revenues		1,017,200
Expenditures & Other Uses		
26-8015	Trunk Sewer Maintenance	
26-8061	Structures/Grounds Maint-Maj	62,000
26-8065	Structures/Grounds Repl/Imp	955,200
26-8070	Emergency Equipment Repair	
Total Expenditures		1,017,200
Total Uses		62,000
Ending 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	280,200
	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-B1-06	Security System	5,000
2017-B1-07	Primary Digester No. 1 Repair	200,000
	TOTAL OF ALL PROJECTS IN FUND 26	955,200

	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

**NOTICE OF PUBLIC HEARING
SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT
ADOPTION OF FISCAL YEAR 2017/2018 BUDGET**

DATE: June 21, 2017
TIME: 6:00 pm
PLACE: Grover Beach City Hall Chambers
154 South 8th Street,
Grover Beach, CA 93433

PLEASE TAKE NOTICE:

1. The District Administrator has prepared a proposed final Budget which is available for inspection, during regular District business hours, at the District's Office located at 1600 Aloha Place, Oceano, California.
2. On June 21, 2017 at 6:00pm at the City of Grover Beach City Hall Chambers, Grover Beach, California, the South San Luis Obispo County Sanitation District Board of Directors will meet to consider and adopt the final Budget.
3. At the time and place specified in this Notice any person may appear to be heard regarding any item in the Budget, or regarding the addition of any other items.
4. The hearing on the Budget may be continued from time to time.

If you should have questions related to the Budget, please contact Gerhard Hubner at (805) 202-8291 or Gerhardt@sslocsd.us

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT RESOLUTION
RESOLUTION NO. 2017-369**

A RESOLUTION ADOPTING THE 2017/2018 FISCAL YEAR BUDGET

WHEREAS, The District is required, pursuant to State codes, to designate a financial budget for its expenditures and revenues; and

WHEREAS, such budgeting requires that proper methods be used for the acquisition and disbursements of District monies; and

WHEREAS, the District desires to make known its planned activities and associated costs for the 2017-18 Fiscal Year.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, South San Luis Obispo County Sanitation District, San Luis Obispo County, California, as follows:

That the proposed budget entitled, "South San Luis Obispo County Sanitation District, Fiscal Year Budget 2017-18" be adopted.

That the final budget be administered as established by past policies and practices.

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

AYES:

NOES:

ABSENT:

the foregoing resolution was passed and adopted this day of June 21, 2017.

John Shoals
Chair

ATTEST:

Gerhardt Hubner
District Administrator

APPROVED AS TO FORM:

District Legal Counsel

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
RESOLUTION NO. 2016-370**

**A RESOLUTION ADOPTING AN EMPLOYEE COMPENSATION PACKAGE
INCLUDING A SALARY SCHEDULE, POSITION CLASSIFICATIONS
AND SALARY STEPS WITHIN RANGES
FOR THE 2017-18 FISCAL YEAR**

**THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT DOES RESOLVE AS FOLLOWS:**

WHEREAS, this Board deems it to be in the best interests of the South San Luis Obispo County Sanitation District and its various employees that minimum and maximum compensation be fixed as well as any District contribution to medical, dental, vision and retirement plans on behalf of the employee for various classifications of employment in the District as hereinafter provided.

NOW, THEREFORE, BE IT RESOLVED that the terms of this resolution shall be effective July 1, 2017 and shall apply through June 30, 2018.

BE IT FURTHER RESOLVED this resolution shall supersede and repeal any position classifications insofar as inconsistent.

BE IT FURTHER RESOLVED that the minimum compensation as of date of employment and the intermediate and maximum compensation for such employment shall be as hereinafter enumerated, effective July 1, 2017, and that said employees shall be assigned to salary steps within the respective pay range of the position classification as set forth in Exhibit A, and further, that any contributions made by the District on behalf of the employee to medical and/or retirement programs shall be set forth in Exhibit A, and further, that Exhibit A attached hereto is made a part hereof by reference, all of which are hereby adopted as follows:

ADMINISTRATION OF THE COMPENSATION PLAN

All full-time employees entering the employ of the District shall be paid at the first or Step A of the salary range established for their classification unless authorized by the District Administrator. The District Manager shall have the authority to place an individual at Step B or C upon reviewing their experience and making a determination that said step B or C salary is in the best interest of the District to provide at the time of employment. The Chair of the Board of Directors shall make the decision to hire any employee at Step D or higher and would only do so after reviewing recommendations made by the District Administrator with respect to the employee's experience and value to the District.

Salary step increases, as provided herein, are not automatic but based on performance and merit. Employees shall be placed on a salary step and qualify for increase in compensation for advancement to the next higher step of the pay ranges in the manner following:

1. Employees may qualify for advancement to the Step B, after completion of one year of service, upon the recommendation of the Superintendent and approval by the District Administrator.
2. Employees may qualify for advancement to the Step C, after the completion of one year of service in Step B upon recommendation of the Superintendent and approval by the District Administrator.

3. Employees may qualify for advancement to the Step D, after the completion of one year of service at the Step C, upon recommendation of the Superintendent and approval by the District Administrator.
4. Employees may qualify for advancement to the Step E, after completion of one year of service in Step D, upon recommendation of the Superintendent and approval by the District Administrator.
5. A performance report on each employee recommended for advancement shall be submitted to the District Administrator, prior to final action on such recommendation.

All Board Members, District Legal Counsel, Plant Worker, Retired Annuitants and Summer Interns shall be paid without benefit of salary range and at a rate or rates as specified in Exhibit A of this resolution.

On motion of Board Member _____, seconded by Board Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing resolution was passed and adopted this 21st day of June 2017.

John Shoals
Chair

ATTEST:

Gerhardt J. Hubner
District Administrator

APPROVED AS TO FORM:

Gilbert Trujillo
District Legal Counsel

EXHIBIT "A"
CONTRIBUTIONS ON BEHALF OF EMPLOYEE

MEDICAL (ACCOUNT 6010)

The District shall pay an amount equal to the current basic plan option monthly premium for the District's medical plan for the employee and the employee's dependent coverage.

DENTAL (ACCOUNT 6025)

The District shall pay an amount equal to the current monthly premium for the District's dental plan for the employee and the employee's dependent coverage.

VISION/DENTAL/MEDICAL TRUST (ACCOUNT 6075)

The District shall pay an initial amount of \$500 for each full-time employee and \$500 per fiscal year thereafter into a vision/dental/medical trust fund account. This account will provide for out of pocket expenses not covered by current formal insurance plans. Funds remaining at the end of the fiscal year do not carryover from an individual's account into the next fiscal year.

SOCIAL SECURITY AND MEDICARE (ACCOUNT 6050)

The District will make contributions for Social Security Tax at 6.2% and Medicare at 1.45% of gross payroll. The employee pays matching contributions.

STATE RETIREMENT (PERS) (ACCOUNT 6060)

In addition to the District's employer contributions, the District shall pay an amount equal to the employee's contribution to PERS (less the difference required to upgrade from prior 2%@55 to 2.5%@55 which is the employee's responsibility) on behalf of the employee.

Contributions made by the District on behalf of employee, who are considered "new members" by CalPERS, will be as mandated by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

STATE DISABILITY INSURANCE PROGRAM (ACCOUNT 6055)

The District shall contribute 50% of the total cost for each employee to become part of the State Disability Insurance Program. Current contribution rate is 1.0% of gross payroll.

INCREASE FOR HIGHER OPERATOR GRADE (ACCOUNT 6030)

A one-time increase of 2.5% for operator grade obtained above that required for position will be paid upon certification.

STIPEND FOR COMMERCIAL DRIVERS LICENSE (ACCOUNT 6030)

The District shall pay a stipend of \$100 per month, in addition to other salary, to employees holding a valid Commercial Driver's License (Class A) while occupying a District position requiring use of that license and designated by the District to utilize the related equipment.

ADJUSTMENT FOR LAB TECHNICIAN (OP1, OP2 OP3) (ACCOUNT 6030)

A one-time 3.0% increase for designation and performance as the District's Laboratory Technician may be given after 6 months' experience in that position and after recommendation by the Plant Superintendent and approval by the Administrator.

STANDBY PAY (ACCOUNT 6030)

Employees required to perform standby service will be paid at the rate of \$3.00 per hour. When required, backup standby will be paid at a rate of \$0.50 per hour. Stand by not paid if or "call back" overtime pay.

VACATION (PER RESOLUTION NO. 86-100)

<u>Years of Service</u>	<u>Vacation Days</u>
0-2 years	10 days
2+ - 4 years	11 days
4+ - 5 years	12 days
5+ - 6 years	13 days
6+ - 7 years	14 days
7+ - 8 years	15 days
8+ - 10 years	16 days
10+ years	+ 1 day per year; up to 20 days max.

SICK LEAVE

1 Day of sick leave per month to be accrued.

SICK LEAVE CONVERSION

During the month of July, employees may convert a portion (25%) of sick leave earned within a fiscal year to regular pay.

SICK LEAVE PAYOUT UPON SEPARATION FROM EMPLOYMENT

Upon separation of employment, long term employees' accumulated sick leave of up to a maximum of 480 hours to be paid out according to length of District service:

10 years' service completed	25%
15 years' service completed	50%
20 years' service completed	100%

EMPLOYEE COMPUTER PURCHASE PROGRAM

Provides for \$1,500.00 interest-free computer purchase loan, payable within two years from employee's salary as a payroll deduction. In order to receive this loan, the employee is required to enter into a contract for District reimbursement.

HOLIDAYS (As presented in Resolution No. 62)

**2017-2018 FISCAL YEAR
SALARY RANGE MONTHLY COMPENSATION
RESOLUTION NO. 2017-370, Exhibit "A"**

FULL TIME EMPLOYEES

Classifications	Positions	Step 1	Step 2	Step 3	Step4	Step 5
District Administrator	1	Range To Be Determined				
Plant Superintendent*	1	7885	8279	8693	9127	9584
Shift Supervisor*	1	5452	5724	6010	6311	6626
Plant Operator 3*	2	4841	5083	5337	5604	5884
Senior Maintenance Mechanic	0	4704	4939	5186	5445	5717
Lead Operator*	0	4492	4717	4953	5201	5461
Lab Tech/Operator*	1	4492	4717	4953	5201	5461
Plant Operator 2*	3	4365	4583	4812	5052	5305
Plant Operator 1*	0	4053	4256	4468	4692	4926
Operator In Training Intern	1	3663	3846	4039	4241	4453
Maintenance Assistant	0	3663	3846	4039	4241	4453
Bookkeeper/Secretary	1	3975	4173	4382	4601	4831

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*Higher Operator Grade Program 2.5%

OTHERS

Board Members or Alternate	\$100 per meeting attended (Resolution 1995-150)
Volunteers	See Resolution No. 76
District Legal Counsel	Per Contract
Plant Worker	Hourly rate of equiv. position Resolution No. 2016-340
Retired Annuitants	Hourly rate of equiv. position
Summer Intern	\$12.00 per hour



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

www.sslocsd.org

STAFF REPORT

Date: June 21, 2016

To: Board of Directors

From: Gerhardt Hubner, District Administrator

Subject: **AWARD OF CONTRACT FOR THE CHERRY AVENUE SEWER PIPE BRIDGE MAINTENANCE PROJECT**

RECOMMENDATION

1. Award a contract for installation and construction of the Cherry Ave Sewer Bridge Maintenance Project to Brough Construction Inc.;
2. Direct the District Administrator to enter into an Agreement (Attachment No. 1) with Brough Construction Inc. in the amount of \$280,200;

BACKGROUND

For several years, the District has pursued maintenance on its Cherry Ave Sewer Pipe Bridge, which spans Arroyo Grande Creek between Branch Street to the north and the Nelson Street cul-de-sac to the south in the City of Arroyo Grande.

Project Description (from MND): The proposed Project will involve the removal of existing paint and debris from the bridge, followed by replacing anti-corrosion coatings on the bridge. Anti-corrosion coating systems will be applied including a 3-layer inorganic zinc/epoxy/urethane coating system, a wax tape and fiberglass outer wrap system and a 3-layer modified polyamidoamine epoxy/aliphatic acrylic polyurethane coating system. The District will utilize a containment system for the purpose of containing all material and debris from the existing pipe bridge and support structure for proper disposal at a licensed facility. The containment system will contain all water, resulting debris, and visible dust produced when the existing coating system is disturbed.

The Project will not place fill in, nor will any permanent disturbance to the Arroyo Grande Creek channel bottom occur. Native vegetation in the approximate 25-foot pipe bridge easement area will be selectively pruned to provide access to the structure, no vegetation removal is proposed. English ivy may be removed from existing trees located adjacent to the pipe bridge to ensure dying trees do not pose a threat to the pipe bridge from falling. Minor soil disturbance (up to 18 cubic yards, maximum) may occur where the existing pipe penetrates both banks to inspect the integrity of the pipe.

All equipment for the Project will be staged within the approximate 25-foot wide access easement area at the top of the northern bank of the creek. In addition, scaffolding would be hung from the bridge to allow the installation of a containment system and worker access to the bridge. Removal of invasive non-native plants would also occur within the easement area, and would be completed under the direction of a qualified biologist. All disturbed areas would be stabilized and revegetated with an assemblage of native plants and appropriate erosion controls at the direction of the project engineer.

In order to initiate the project and thus maintenance on the Cherry Ave Sewer Pipe Bridge (Project), several permits from the State of California were needed, including a Streambed Alteration Agreement (SAA) from the California Department of Fish and Wildlife (CDFW), and General Permit from Regional Water Quality Control Board (RWQCB). For the SAA to be issued compliance with the California Environmental Quality Act (CEQA) was also required.

On September 7, 2016, the Board approved Resolution No. 2016-356 and a Mitigated Negative Declaration for the Project, including a Mitigation Monitoring Program necessary to implement, monitor and enforce Project conditions. Subsequently, District staff filed a Notice of Determination for the MND with the County.

On November 30, 2016, the RWQCB issued a Notice of Applicability (General Permit).

On March 7, 2017, the CDFW issued a SAA.

With the permitting complete, the Project then proceeded to final design, specifications and bid package.

DISCUSSION

Bidding Process

On April 25, 2017, a Notice to Bidders for the Project was released. The initial deadline was May 22nd, and extended to May 25th, to allow questions from prospective bidders to be answered. This also had the benefit of potentially receiving more competitive bids.

On May 25, 2017, one bid was received from Brough Construction in the amount of \$318,200. The engineer's estimate for the project ranged from \$149,000 to \$249,000, thus the bid was considerably over the estimate and amount of \$209,000 contained in the adopted Budget for this Fiscal Year.

In evaluating the bid, Garing Taylor & Associates, Inc. (engineering consultant for the District), recommended the following to District staff:

1. Enter into negotiations with Brough Construction to determine what can be eliminated from the Project and still meet Project objectives, and why certain components cost more than the engineer's estimate; or
2. Rebid the project; or
3. Do both Nos. 1 and 2 above.

District staff authorized Garing, Taylor & Associates to proceed with No. 3, and report back before proceeding with a rebid of the Project. On June 14th, Garing, Taylor & Associates informed us that they had been successful in reducing the price from \$318,200 to \$280,200, and recommended awarding. The contractor proposes (Attachment No. 2) some project modification

through deletion of a few work items (vegetation removal, contractor management, non-asbestos removal, restoration of existing fence). Upon review both District staff and Garing, Taylor & Associates agree that the deleted items do not affect the overall project objectives.

Options to Move Forward

1. Award Bid at the reduced price and scope; or
2. Rescope the Project; or
3. Reject Bid and Rebid Project.

Conclusion

Staff recommends Option No. 1 above, awarding the Project to Brough Construction. We do not believe that rebidding the Project at this time will result in a more competitive or lower price. As we have seen with other projects, and discussions with other agencies, the construction bids environment are very competitive. In addition, there is a timeframe for completing the Project prior to the SAA expiration date (although an extension may be possible). Although the price is above the current budget amount and engineer's estimate, the contractor is agreeing to paint the entire structure (vs. just the repaired areas); thus, providing one additional beneficial to the Project, and potential prolonging the time for future maintenance.

ATTACHMENTS:

1. Agreement between District and Brough Construction, Inc.
2. Proposal from Brough Construction Inc., dated June 15, 2017

DOCUMENT 00500

AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2017,
by and between

hereinafter referred to as "Contractor," and the South San Luis Obispo County Sanitation District in the County of San Luis Obispo, California, hereinafter referred to as "District" "Owner" or "SSLOCSD."

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, Owner and Contractor agrees as follows:

1. That Contractor shall complete the work generally described as follows: SSLOCSD CHERRY AVENUE PIPE BRIDGE MAINTENANCE PROJECT in accordance with the Contract Documents therefore, as prepared by District.
2. That Owner will pay Contractor progress payments and the final payment, in accordance with the provisions of the contract documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid on the proposal form accepted by Owner, and set forth in this agreement.

Total Bid of _____ Dollars
and _____ Cents

Contract Price in Figures \$ _____

3. Contractor agrees to complete said work within the contract time of FORTY (40) WORKING DAYS, from the day following the issuance of the Notice to Proceed, and approved extensions thereof, to the satisfaction of Owner before final payment is made.
4. Time is of the essence on this contract.
5. It is mutually understood and agreed that time is of the essence of this agreement and that it is difficult to ascertain the amount of damages required to properly compensate Owner for failure by Contractor to comply with all the contract requirements within the time fixed in the agreement.

In accordance with California Government Code, Section 53069.85, the amount of liquidated damages to be paid to Owner for each day completion is delayed beyond the time for completion, shall be FIVE HUNDRED (\$500) dollars. Contractor hereby acknowledges that it has reviewed said provisions relating to liquidated damages and the

amount thereof, and accepts the same as being reasonable under the circumstances and as a material part of the consideration for this contract. Contractor also acknowledges that progress payments made after the scheduled completion date do not constitute a waiver of liquidated damages.

Provisions in this contract relating to damages shall be read consistently with Public Contract Code §7102, pertaining to damages in construction contracts of public agencies.

Pursuant to Public Contract Code §7105, unless this contract is financed by revenue bonds, nothing in this contract shall be read to require Contractor to assume responsibility in excess of five percent of the contract amount for repairing or restoring damages caused by an act of God. If required by the invitation for bids, Contractor shall procure insurance to cover such losses. This contract may be terminated in the event of such damages as provided by Part 6 of Document 00700.

6. That, in accordance with Section 1774 of the California Labor Code, Contractor will pay, and will require subcontractors to pay, employees on the project a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, contained in or referenced in the contract documents. The general rate of per diem wages (prevailing wage) for each craft, classification or type of worker needed to execute the contract is on file at the office of the SSLOCSD General Manager.
7. That, in accordance with Section 1775 of the California Labor Code, Contractor shall forfeit to Owner, as a penalty, not more than two hundred dollars (\$200) for each day, or portion thereof, for each worker paid, either by Contractor or any subcontractor, less than the prevailing rates as determined by the Director of the California Department of Industrial Relations for the work.
8. That, in accordance with Section 1777.5 of the Labor Code, this agreement fixes the responsibility of compliance with said Section 1777.5 for all apprenticeable occupations with the prime Contractor.
9. That, except as provided in Section 1815 of the California Labor Code, in the performance of the work not more than eight (8) hours shall constitute a day's work, and not more than forty (40) hours shall constitute a week's work; that Contractor shall not require more than eight (8) hours of labor in a day nor more than forty (40) hours of labor in a week from any person employed by Contractor or any subcontractor; that Contractor shall conform to Division 2, Part 7, Chapter 1, Article 3 (Section 1810, et seq.) of the California Labor Code; and that Contractor shall forfeit to Owner, as a penalty, the sum of twenty-five dollars (\$25) for each worker employed in the execution of the work by Contractor or any subcontractor for each day during which any worker is required or permitted to labor more than eight (8) hours in violation of said Article 3.
10. That Contractor shall carry workers' compensation insurance and require subcontractors to carry workers' compensation insurance as required by the California Labor Code. Further, the Contractor shall secure the payment of workers' compensation to its employees as provided in California Labor Code §§1860 and 3700.

11. That Contractor shall have furnished, prior to execution of the contract, three bonds approved by Owner: (1) the faithful performance bond in the amount of one-hundred percent (100%) of the contract price, to guarantee the faithful performance of the work; (2) the labor and material bond in the amount of one-hundred percent (100%) of the contract price, to guarantee payment of all claims for labor and materials furnished; and (3) the guarantee and defective material bond in the amount of ten percent (10%) of the contract price, to guarantee the one year maintenance of public improvements. This contract shall not become effective until such bonds are supplied to and approved by Owner.
12. That Contractor, prior to execution of the contract shall comply with the following Department of Industrial Relations requirements.
 - Pursuant to Public Contract Code §6109, no contractor shall perform work on a public works project with a subcontractor who is ineligible to work on a public works project under §§ 1777.1 or 1777.7 of the California Labor Code.
 - No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
 - No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
 - This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
 - In the manner required by Labor Code §1776 and accompanying rules, Contractor shall keep accurate payroll records of wages paid, keep specified records available for inspection, use forms or provide information as required by the Division of Labor Standards Enforcement, file records, redact records, inform the District of the location of the records, and comply with records requests.
13. That this agreement, by reference, includes the contract documents defined in Document 00700, General Conditions. Terms of this agreement relating to modification, amendment or termination appear in Parts 5 and 6 of Document 00700.
14. That Contractor agrees to devote the hours necessary to perform the services set forth in this agreement in an efficient and effective manner. Contractor may represent, perform services for and be employed by additional individuals or entities, in Contractor's sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with District's business.
15. The agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing in this section shall be construed as consent by District to any assignment of this agreement or any interest in this agreement.

(REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.)

IN WITNESS WHEREOF, said Contractor and the SSLOCSD, have caused the names of said parties to be affixed hereto, each in triplicate, the day and year first above written.

South San Luis Obispo County Sanitation
District
SAN LUIS OBISPO COUNTY, CALIFORNIA

BY: _____
General Manager

CONTRACTOR

BY: _____
NAME
PRESIDENT
COMPANY

BY: _____
NAME
SECRETARY & TREASURER
COMPANY

DISTRICT

ATTEST:

APPROVED AS TO FORM:

BY: _____
DISTRICT CLERK

BY: _____
DISTRICT CO-COUNSEL

DATE: _____

DATE: _____

T:\13-459.007 Inspect Pipe Bridge\Specs and Bid Package\SPECS 13-459.007 working.doc

Rev 2014

*** * * END OF DOCUMENT 00500 * * ***



634 Printz Road
Arroyo Grande, Ca. 93420
Office (805) 489-7779 · Fax (805) 473-2479

June 15, 2017

Mr. Ron Reilly
c/o Garing & Taylor
141 S. Elm St.
Arroyo Grande, CA 93420

RE: SSLOCSD Cherry Ave. Pipe Bridge

Ron:

Jeff and I have made the following projections providing you and the district agree with the work we have deleted. Please confirm these numbers when you get time.

- | | |
|----------|--|
| ITEM #2 | DEDUCT \$6,000.00
This enables us to manage the subcontractor on a daily basis but only for an hour or so per day. |
| ITEM #3 | DEDUCT \$5,000.00
As discussed, we will leave vegetation on the north bank after weed whacking and cover with jute netting. Clearing will only be in area 5' on each side of the pipe. We will remove ivy on the south side and haul offsite in an area 5' on each side of the pipe. Ivy will be removed from the end barrier to allow for painting and access. We are not planning to remove any ivy root balls a specified. We will also spray both sides with Roundup. |
| ITEM # 9 | DEDUCT \$20,000.00
Our subcontractor will not disturb any asbestos but will clean areas with solvent solution, primer the affected area, and coat over existing asbestos so as to eliminate any need for removals. |
| ITEM #11 | DEDUCT \$4,000.00
In lieu of removal and disposal of existing brush and vegetation, we will cover slopes with jute net and see mix as specified. We will remove willow branches and ivy trimmings from the jobsite. |

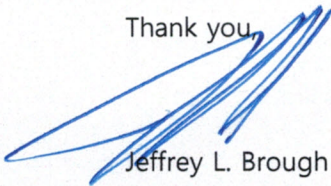
ITEM #12

DEDUCT \$1,000.00

We will restore the existing wood fence on the south side of the creek that has to be removed in order for us to access the end barrier. If necessary, the lawn area adjacent to the fence will be seeded. Any bare area on the south side from the end barrier to the wood fence will be covered with jute netting and seeded as specified.

These revisions bring the revised contract total to \$280,200.00. If these numbers are in line with what you are thinking, please present our revisions to the district.

Thank you,

A handwritten signature in blue ink, appearing to read "Jeffrey L. Brough", is written over the printed name.

Jeffrey L. Brough
President

6/15/17