



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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

**AGENDA
BOARD OF DIRECTORS MEETING**

OCSD Board Room
1655 Front Street
Oceano, California 93445

Wednesday, September 21, 2016 at 6:00 p.m.

Board Members

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

Agencies

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

Alternate Board Members

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

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

-
- 1. CALL TO ORDER AND ROLL CALL**
 - 2. PLEDGE OF ALLEGIANCE**
 - 3. AGENDA REVIEW**
 - 4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA**

This public comment period is an invitation to members of the community to present comments, thoughts or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters which are within the jurisdiction of the District. The Brown Act restricts the Board from taking formal action on matters not published on the agenda. In response to your comments, the Chair or presiding Board Member may:

- Direct Staff to assist or coordinate with you.
- Direct Staff to place your issue or matter on a future Board meeting agenda.

Please adhere to the following procedures when addressing the Board:

- Comments should be limited to three (3) minutes or less.
- Your comments should be directed to the Board as a whole and not directed to individual Board members.
- Slanderous, profane or personal remarks against any Board Member, Staff or member of the audience shall not be permitted.

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for

public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California Government Code §54954.2, requests for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the District Administrator or Bookkeeper/Secretary at (805) 481-6903. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

5. CONSENT AGENDA:

The following routine items listed below are scheduled for consideration as a group. Each item is recommended for approval unless noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Board Member may request that any item be withdrawn from the Consent Agenda to permit discussion or to change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

5A. Approval of Minutes of Meeting of September 07, 2016

5B. Approval of Warrants

5C. Financial Review at August 31, 2016

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Staff recommends the Board receive and file this report.

7. ACTION ITEMS:

7A. UPDATE ON DISTRICT'S PUBLIC OUTREACH INITIATIVE, INCLUDING NEWSLETTER AND WEBSITE OVERHAUL

Staff recommends the Board receive and file this report, and further direct staff to finalize and distribute the Fall 2016 Newsletter

7B. REQUEST BY DIRECTOR HILL TO CENSURE DIRECTOR LUCEY

7C. REQUEST BY DIRECTOR LUCEY TO CENSURE DIRECTOR HILL

8. ADJOURN MEETING

The next regularly scheduled Board meeting on October 5, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday September 07, 2016
6 P.M.

1. CALL. TO ORDER AND ROLL CALL

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

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

2. FLAG SALUTE

3. AGENDA REVIEW – Accepted unanimously as presented by roll call vote.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Julie Tacker commented on Administrator Hubner's resume. The record she received was two pages and the record CalAware received was three pages. She asks the Board to compare the public record she received with the one they received.

Administrator Hubner clarified that the reference page was inadvertently sent to CalAware and that the reason for the difference in the amount of pages.

Chairman Shoals closed the Public Comment.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of July 20, 2016

5B. Approval of Minutes of Meeting of August 03, 2016

5C. Approval of Minutes of Meeting of August 17, 2016

5D. Approval of Warrants

5E. Financial Review at July 31, 2016

Chairman Shoals opened the public comment period.

Julie Tacker has concerns regarding Human Resources warrant. She believes an RFP should go out for Human Resource Services. She would also like to know more about the FFR Bypass Project.

Administrator Hubner stated that charges for Human Resources work are appropriate and consistent with staff and Board priorities.

Motion: Director Lucey made a motion to accept Consent Agenda as presented.

Second: Director Hill

Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. DISTRICT'S LONG-RANGE REDUNDANCY PROJECT - SECONDARY CLARIFIER AND AERATION TANKS, CONSIDERATION OF RESOLUTION NO. 2016-357, A RESOLUTION CONCURRING THAT NO FURTHER ENVIRONMENTAL REVIEW IS REQUIRED FOR THIS PROJECT

Administrator Hubner presented this item in Power Point. He highlighted the reasons why an Addendum is the appropriate document.

John Rickenbach of JFR Consulting gave a quick background about CEQA. He clarified that the documentation is intended to address the proposed Redundancy Project, a project intended to improve safety conditions. The Addendum includes new technical studies to the key issues of the original CEQA document.

Mike Nunley of MKN Engineering wanted to remind the Board that the purpose of this Project is redundancy to processes that could possibly fail. Part of the Project includes relatively inexpensive flood proofing. The benefits of this project are a net positive to the community.

The Board had a discussion about the Addendum, notifying the residents in the area although not required under CEQA and the time line for this project going to Coastal Commission.

Chairman Shoals opened the item to public comment.

Julie Tacker feels the Project started on the wrong foot from the beginning. She believes there should be public circulation to the people living in the neighborhood of the plant. She also believes Clemons, quoted in the footnote in legal documents (ESA Report) in regard to the 2010 flood, can't testify since he was not at the District In 2010.

Carol Henson concurs with Ms. Tacker's concerns.

Mike Arias, an operator at the treatment plant reminded the board and public that a significant piece of equipment is long past its life span. If it fails, 2 million gallons of raw sewage will be going to the ocean every single day.

Chairman Shoals closed the public comment period.

Chairman Shoals asked if this Project would cause flooding or other environmental impacts and the legal requirements for public notice.

John Rickenbach said "No, this project will not cause flooding or other environmental impacts".

Legal Counsel Trujillo pointed out pages 107 and 108 of the staff report is the notice that was sent out in 2010. He added that complying with CEQA is one of the most difficult projects any entity faces. He suggested approving the Resolution to move this project along and for future projects direct staff to give notice of future public hearings including Coastal Commission hearings to all properties 300 feet from project. This would be going above and beyond of what CEQA requires.

Chairman Shoals asked that the Resolution be corrected to clarify that the current board has reviewed the documents from 2010 that approved the original

Resolution. He would like the findings section to say, "This board used its independent judgment in reviewing the environmental documents and supporting study's to reach these conclusions."

Director Lucey requests that a simple flyer be distributed to the neighboring houses of the plant.

Director Hill believes notice was properly given. He emphasized that the project is not expanding the plant but will give full treatment to modern standards that will prevent dumping raw sewage into the ocean and the community. He is in support of moving this along. The CEQA document is to address the impact of this particular project not to mitigate all flood issues that may come before the community.

Motion: Director Hill made a motion to adopt Resolution No. 2016-357, a Resolution Concurring that No Further Environmental Review is required for the Long Range Redundancy Project, Secondary Clarifier and Aeration Tanks. Subject to the Addendum to that Resolution as presented that this board met this date Sept. 7, 2016 reviewed the original CEQA findings from July 07, 2010 and agree that the provided addendum to that is both appropriate and complete.

Second: Director Lucey

Action: Motion approved unanimously by roll call vote.

Director Lucey provided direction to make a flyer stating that there will be construction, inviting public to tours, and how to submit input.

6B. CHERRY AVENUE SEWER PIPE BRIDGE MAINTENANCE PROJECT - CONSIDERATION OF A RESOLUTION NO. 2016-356, A RESOLUTION MAKING FINDINGS, ADOPTS A MITIGATION MONITORING PROGRAM, APPROVE A MITIGATED NEGATIVE DECLARATION, AND DIRECT THE FILING OF THE MITIGATED NEGATIVE DECLARATION

Administrator presented this item in Power Point. He identified areas that were potential impacts that can all be mitigated.

Chairman Shoals opened the item to public comment.

Julie Tacker asked if the neighbors were notified.

Chairman Shoals closed the public comment period.

The Board had a brief discussion about required notification of projects. A further discussion on public noticing will be brought back at a later meeting.

Motion: Director Lucey made a motion to adopt Resolution No. 2016-356, a Resolution Making Findings, Adopt a Mitigation Monitoring Program, approve a Mitigated Negative Declaration, and Direct the Filing of the Mitigated Negative Declaration for the Project.

Second: Chairman Shoals

Action: Motion carries unanimously by roll call vote.

6C. AWARD OF CONTRACT FOR A MECHANICAL BAR SCREEN/HEADWORKS IMPROVEMENT PROJECT AT THE DISTRICT'S WASTEWATER TREATMENT PLANT

Administrator Hubner presented this item in Power Point. He gave background on this Project, described the bidding process and the awarding of the contract to Fluid Resource Management.

Director Hill asked if this Project would be eligible to use part of the money designated from the fine of the 2010 spill.

Administrator Hubner responded that the money will be used for the Grit Removal Project, but this Project was considered during the settlement discussions as an eligible project.

Chairman Shoals opened the item to public comment.

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

Motion: Director Hill made a motion to:

1. Award a contract for installation and construction of the Mechanical Bar Screen/Headwork Improvement Project to Fluid Resource Management;
2. Direct the District Administrator to enter into an Agreement with Fluid Resource Management in the amount of \$511,370.51;
3. Approve a specific contingency fund for this project up to 15% (\$76,706) of the total contract amount for unforeseen future project events; and
4. Authorize the District Administrator to approve further change orders for this project within the newly created contingency fund subject only to reporting back to the board in the event.

Second: Chairman Shoals

Action: Approved unanimously by roll call vote.

Director Lucey asked where this project falls in the priority list of projects.

Administrator Hubner stated that this is a priority project.

7. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner emphasized two big efforts: The first being the settlement of the 2010 spill. He has been working with Water Board staff to finalize the Draft Order. There was omission that didn't include the 30-day comment period which has been rectified. Our special counsel worked with the state attorney to have the stipulated stay extended to November 30. The second update was his trip to Sacramento to meet with State Water Board staff, the grant manager for the Satellite Water Study, and the State Revolving Fund loan staff. He got insight on the overcommitted status of SRF funding. The third meeting was with the Deputy Director of Financial Assistance, who was very helpful in identifying additional funding that District may pursue.

Superintendent Clemons presented the second part of the report discussing plant numbers and operations. He gave an update on the FFR oil sample and it had more condensate in the oil coming from the gear box than has ever been seen. This reiterates the urgency in a redundancy project. He gave an update on the backup system in case the FFR fails.

The Board had a brief discussion and recommended benchmarking similar plants to see how District plant compares.

Director Hill is pleased to see CoGen research continuing. He complimented staff on the FFR Bypass Project, and for keeping discharge levels in compliance. He stated concerned about increased cost of Human Resources and is hoping we are not having issues that would cause staff morale problems.

Administrator Hubner announced he is working with the County on the permits for the trailer.

Director Lucey would like to have an update on SCADA.

Chairman Shoals opened the item to public comment.

Julie Tacker is concerned Ms. Simpson is not getting training and she would like to see the District invest in Ms. Simpson. She likes the FFR Backup plan. Concerned Hubner's trip to Sacramento is not reflected on the warrant register. She is concerned that there was not permission from the Board to bring a trailer on site and that a cost analysis did not happen before the trailer was delivered.

Patricia Price asked how the trailer got on the property without a public discussion.

Chairman Shoals closed the public comment period.

Director Lucey believes the trailer was properly addressed by the Board during the Budget approval process.

Chairman Shoals let the Board and public know that Mr. Hubner had informed him of his plans for the trailer. The permit is an issue and will get resolved.

Administrator Hubner said the trailer was a compromise compared to the issued previously to an offsite office. Mr. Hubner provided a list of reasons why office space is needed now, the frustrations with the process to acquire sufficient office space for the Administrative staff, and restated his previously documented issues with the Administration Building

Director Hill stated that he does not object to the reasons for adequate office space, but expenses should go before the Board and be agreed upon as a Board. He has concern with authorizing a trailer with temporary electrical and positioning of trailer.

Action: The Board received and filed this report.

8. ADJOURN MEETING

This meeting adjourned at 8:10 pm.

The next regularly scheduled Board meeting on September 21, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
09/21/2016 FY 2016/17

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST ANALYTICAL	CHEMICAL ANALYSIS	16-3659; 16-3803	092116-1582	7078	155.00	155.00
AGP VIDEO	PROF. SERVICES	AUGUST	1583	7080	1,450.00	1,450.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	OCTOBER	1584	6025	862.26	862.26
ARAMARK	UNIFORMS	09/09; 09/02; 09/16	1585	7025	633.79	633.79
AT&T	TELEPHONES	AUGUST	1586	7013	289.03	289.03
BANK OF THE WEST	HOUSEHOLD SUPPLIES	WALMART	1587	8035	88.95	3,972.60
	MEETINGS	SACRAMENTO AIR FARE		7050	411.20	
	OFFICE SUPPLIES	OFFICE DEPOT		8045	502.79	
	ADMIN OFFICE SPACE	API TRAILERS		7040	2,650.00	
	EQUIPMENT MAINTENANCE	DIAMOND A		8030	81.79	
	FEES	FINANCE CHARGE		7068	26.19	
	TRAINING	UEI WATER PROGRAM		7067	211.68	
BERCHTOLD	EQUIPMENT MAINTENANCE	SJ09639	1588	8030	474.57	474.57
BRENNTAG	PLANT CHEMICALS	BPI658114; BPI65492	1589	8050	9,180.48	9,180.48
CAL. DEPT. FISH & WILDLIFE	CHERRY AVE BRIDGE PROJECT	LSA NOTIFICATION	1590	26-8065	1,351.50	1,351.50
CENTRAL COAST PLUMBING	STRUCTURE MAINTENANCE	BATHROOM REPAIR	1591	8061	10,200.00	10,200.00
CEN. COAST RWQCB	CHERRY AVE BRIDGE PROJECT	MITIGATION PLAN	1592	16-8065	200.00	200.00
CCWT GB	EQUIPMENT RENTAL	37544; 37378	1593	7032	241.50	241.50
CCWT SM	EQUIPMENT RENTAL	37378	1594	7032	17.50	17.50
D'ANGELOS	EQUIPMENT MAINTENANCE	S260473	1595	8030	404.88	404.88
ENGEL & GRAY	BIOSOLIDS HANDLING	77525	1596	7085	4,762.96	4,762.96
FASTENAL	EQUIPMENT MAINTENANCE	CAS1418564	1597	8030	147.13	147.13
FED EX	CHEMICAL ANALYSIS	LUBE WATCH	1598	7078	16.96	16.96
GARING TAYLOR ASSOC.	CHERRY AVE BRIDGE PROJECT	13838	1599	26-8065	1,207.50	1,207.50
GERHARDT HUBNER	MEETINGS	SACRAMENTO	1600	7050	43.00	43.00
GILBERT TRUJILLO	GENERAL LEGAL SERVICES	AUGUST	1601	7071	7,647.50	7,647.50
I.I. SUPPLY	EQUIPMENT MAINTENANCE	40916	1602	8030	22.83	22.83
JB DEWAR	FUEL	824817	1603	8020	105.57	105.57
JESSICA MATSON	WEBSITE	AUGUST	1604	7065	405.00	405.00
JOHN CLEMONS	TRAINING	TRI STATE SEMINAR	1605	7065	140.00	140.00
JOHN F. RICKENBACH CONSULT.	REDUNDANCY PROJECT	187	1606	20-7080	7,800.00	7,800.00
KENNEDY JENKS	REDUNDANCY PROJECT	103714	1607	20-7080	46,875.89	46,875.89
KEVIN MERK ASSOCIATES	CHERRY AVE BRIDGE PROJECT	16-0908	1608	26-8065	5,205.89	5,205.89
	REDUNDANCY PROJECT	16-0909		20-7080	2,415.00	2,415.00
LEXIS NEXIS	SUBSCRIPTION	AUGUST	1609	7071	250.00	250.00
MARIO DE LEON	TRAINING	TRI STATE SEMINAR	1610	7067	140.00	140.00
MIDSTATE INSTRUMENTS	SAFETY SUPPLIES	MSI6782	1611	8056	169.31	169.31
MINERS	EQUIPMENT MAINTENANCE	AUGUST	1612	8035	140.21	140.21
PG&E	ELECTRICITY	AUGUST	1613	7091	14,688.16	14,688.16
POOR RICHARDS PRESS	OFFICE SUPPLIES	272331	1614	8045	114.86	114.86
READY REFRESH	HOUSEHOLD SUPPLIES	AUGUST	1615	8035	122.63	122.63
SAFETY-KLEEN	EQUIPMENT MAINTENANCE	7109664; 71084492	1616	8030	443.01	443.01
SMITH ELECTRIC	OFFICE SPACE	ELECTRICAL INSTALL	1617	7040	2,960.28	2,960.28
SO CAL GAS	GAS	AUGUST	1618	7092	1,097.77	1,097.77
SO. CO. SANITARY SERV.	GARBAGE	SEPTEMBER	1619	7093	117.80	117.80
SPEISS CONSTRUCTION CO. INC.	GRIT REMOVAL	216154	1620	20-8015	336,991.14	336,991.14
SPRINT	CELL PHONES	AUGUST	1621	7011	220.37	220.37
STANLEY SECURITY	ALARMS	OCTOBER	1622	7011	64.06	64.06
STATE FUND	WORK COMP INSURANCE	PREMIUM SEPTEMBER	1623	6080	5,580.67	5,580.67
STATE WATER RES. CONT. BOARD	PROF. CERTS/LICENSES	DE LEON GRADE 1	1624	7055	170.00	170.00
TELEDYNE	LAB SUPPLIES	SO20140962	1625	8040	246.18	246.18
U.S. POSTAL SERVICE	OFFICE EQUIPMENT	6 MONTH PO BOX FOR OCSD BILLING	1626	7074	85.00	85.00
VWR	LAB SUPPLIES	8046093966	1627	8040	196.77	196.77
	BRINE EXPENSE	8046075672		8056	27.62	27.62
WENDY STOCKTON, ESQ.	LEGAL COUNSEL	AUGUST	1628	7071	2,957.50	2,957.50
SUB TOTAL					\$ 472,856.68	\$ 472,856.68
SO. SLO CO. SANITATION DISTRICT	RABOBANK REIMB. FOR AUGUST	WEBHOSTING	1629	7011	166.03	62,142.50
		GO TO MY PC		8045	222.00	
		PAYROLL 08/05			30,916.04	
		PAYROLL 09/19			30,838.43	
SUB TOTAL					\$ 62,142.50	\$ 62,142.50
CNH CAPITAL CARD	WR#081716-1508	REISSUE CHECK	1630	8030	1,484.93	1,484.93
SO SLO CO SAN DIST REIMB	PAYROLL MEMO 09/02/16	\$28,744.38				
GRAND TOTAL					\$ 534,999.18	\$ 534,999.18

We hereby certify that the demands numbered serially from 092116-1582 to 092116-1630 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE: _____

Chairman

Board Member

Board Member

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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Date: September 21, 2016
To: Board of Directors
From: Amy Simpson, District Bookkeeper/Secretary
Via: Gerhardt Hubner, District Administrator
Subject: **Financial Review as of August 31, 2016**

Overall Financial Summary

As of August 31, 2016, the District has received total revenues of \$640,758. Of this amount, \$637,467 is for operating revenues, and \$3,291 is for non-operating revenues.

District operating expenses as of this date totaled \$564,678. Operating expenses totaled \$373,037 and non-operating expenses totaled \$191,641 as of August 31, 2016.

Local Agency Investment Fund

The balance in the District's LAIF account was \$2,422,794 as of August 31, 2016.

County of San Luis Obispo Treasury Pool

As of August 31, 2016, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$3,017,601. The County issues the majority of the District's checks, and the majority of the District's revenues are deposited with this agency. As such, the County provides 'banking services' to the District and provides some accounting documents for internal control purposes.

Rabobank Funds

At August 31, 2016, the reconciled cash balance in the District's Rabobank account totaled \$214,419. This account has been used to process the District's contracted payroll provider service and other District expenditures.



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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT MONTHLY CASH REPORT AUGUST 2016

Cash Balance at 07/31/16	\$ 5,433,133.46
Deposits	\$ 480,833.45
County Adjustment from FY 15/16	\$ (19.61)
City National Return Check	\$ 36,351.75
Warrant Register 08/03/16	(52,013.91)
Warrant Register 08/17/16	(181,329.21)
Pay Roll 08/05/16	(30,916.04)
Pay Roll 08/19/16	(30,838.43)
Rabobank August Activity	(388.03)
Total August Activity	221,679.97

Cash Balance at 08/31/16	5,654,813.43
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	CASH BALANCE
Cash by Institution	@ 08/31/2016
Cash with County Treasury	3,017,601.18
Cash with LAIF	2,422,793.58
Cash with Rabobank	214,418.67
	\$ 5,654,813.43



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

Date: September 21, 2016
To: Board of Directors
From: Gerhardt Hubner, District Administrator & John Clemons, District Superintendent
Subject: **DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

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

RWQCB and District Settlement of 2010 Spill

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

As described in my September 7th Report, District and RWQCB staff continue to work together to finalize the settlement and Draft Order. Previously, RWQCB staff informed us that a 30-day comment period for the settlement is required under federal National Pollutant Discharge Elimination System permit regulations. A draft Order, signed by both parties, has been posted and noticed on the RWQCB's website for the next 30 days to meet this requirement (Attachment No. 1).

In addition, District Special Counsel and the State Department of Justice attorneys have jointly filed the necessary action with the Superior Court to extend the Stipulated Stay to November 30th.

Project Updates:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project** – The purpose of this project is to perform regular maintenance on the existing structure, remove paint and debris and replace its anti-corrosion coating. *At the Board's September 7th Board meeting the Board approved the Mitigated Negative Declaration for this project. Staff is in process of filing the Notice of Determination with the County of San Luis Obispo, and finalizing/submitting the necessary*

permit applications to the CA Department of Fish and Wildlife, and Regional Water Quality Control Board. Fees for these permits are included on today's warrant register. The County fee will show up on a future warrant register

- **Grit Removal System** – On April 28, 2016, the Board approved a contract with Spiess Construction Company for \$492,100. Construction continues on this project, most recently to prepare the foundation. The first piece of equipment (grit classifier section) has been delivered. At the August 17th Board meeting, the Board approved a change order in the amount of \$15,526, a specific contingency of 15% (\$35,000) of the total project amount, and authority to process future change orders.
- **Mechanical Bar Screen** – *At the September 7th Board meeting, the Board approved an award of contract for this project. The next steps include working with the contractor to ensure the proper insurance and bond requirements are met prior issuing a Notice to Proceed.*
- **Secondary Process Redundancy Project** – On March 16, 2016, the Board approved a design contract with Kennedy Jenks for Phase I of this project. On August 5, 2016, a cover letter outlining our response(s) to the Coastal Commission staff's April 15th letter to our Coastal Development Permit application was sent to Coastal Commission staff, including five attachments (which included site plans, biological surveys, sea level rise analysis, flood risk mitigation strategy, and site photos). Subsequently on August 16th, upon receipt by us, a one-page form from the County of San Luis Obispo on its permitting determination was transmitted to Coastal Commission staff.

At the September 7th Board meeting, the Board approved an Addendum to the 2010 Mitigation Negative Declaration. This action updated the Redundancy Project's CEQA status. Subsequently, on September 9, 2016, we transmitted this Addendum, and supplemental information requested by Coastal Commission staff, via a cover letter (Attachment No. 2).

State Revolving Funding (SRF) Loan Program - On August 30th, District staff participated in two meetings in Sacramento with SWRCB Division of Financial Assistance staff. The first involved meeting with the SWRCB staff directly responsible for processing the District's pending application for a SRF planning loan. This meeting was very productive, and provided District staff with early insight as to the status of the SWRCB's SRF loan program, the amount of SRF loan funds already committed, and the amount of funding available statewide for future projects. In short, the SRF loan program is overcommitted, and the availability of funds for wastewater projects may be limited. The second meeting held that day was with the Deputy Director of the Division. He confirmed the early meeting discussion that the SRF loan program may not have sufficient funds for future projects. *The information I provided to the Board was confirmed in the notice sent out by SWRCB on September 13, 2016, included today as an attachment (Attachment No. 3).*

Staff is evaluating various options for funding the Redundancy Project, and is planning to come to the Board at the October 5th meeting with a recommendation and other financing options.

- **Satellite Water Resource Recovery Facilities Grant** – The Board approved a re-scoping of this grant funded project at its March 30, 2016. Regular monthly meetings are held with the consultant and City of Arroyo Grande staff, where project schedule, milestone and progress on report components are discussed. Staff and Arroyo Grande staff met with WSC staff at

their office in SLO on September 3rd, to further discuss and further refine various on-site and off-site recycling locations. In addition, on August 30th, District staff met face to face in Sacramento with the SWRCB's grant project manager to discuss the re-scoping of this study, its deliverable schedule, and overall purpose of the study in conjunction with ongoing regional recycling efforts in south San Luis Obispo County.

- **Energy Cost Reduction/Conservation Project, Co-Generation Unit** – Staff continue to work with representatives of PG&E, MKN and Enviser on the feasibility of a co-generation system at the District's facility. Significant benefits of a co-generation system may include future saving on facility electricity costs, and a reduced carbon footprint (eliminated flare)/greenhouse gases. On August 30th, the District's Plant Superintendent attended and was provided a tour of a similar PG&E co-generation project recently constructed and operating at the City of San Luis Obispo WWTP.
- **District Control Building and Office** – Significant issues and problems are evident in the District's Operational and Administrative Building. Identified issues include: Strong and persistent odors, noise and disruption from brine disposal trucks, multiple leaks in the ceiling/roof, mold, old desks and chairs (some decades old), old and stained carpets and flooring, infestation of pests, bubbling and peeling paint, break room/kitchen deterioration, identified leaks in the indoor plumbing, insufficient and overlapping utilization of space for administration vs. operations, IT integration, file storage, and others.

At the July 6th Board meeting, the Board approved work to repair the Building's HVAC Ductwork and Bathroom. *Work on the bathroom reconstruction is now complete. Work on the HVAC is nearing completion.*

On August 11th, a temporary construction trailer for administrative staff was delivered to the plant site, adjacent to the C-Train (containing a majority of the District's files). Among many uses anticipated for the space within the construction trailer, it is also expected to facilitate our future records management initiative. Power has been provided, but we still await phone service. Furniture arrived September 1st. A complaint was filed with the County Code Enforcement on September 6th (and we received a subsequent call). Staff has spent considerable time meeting and discussing this permitting issue with County and Coastal Commission staff to resolve the issue. Coastal Commission staff have requested a Coastal Development Permit application be filed by the District for the trailer and C-Train (note this has been at the District's facility since 2013). Staff intends to complete this CDP application in the near future, and submit it to be in compliance with local and state requirements. However, it should be noted that this issue has the potential to affect future (and past projects) at the District WWTP site.

Regional Efforts

- **Arroyo Grande Watershed MOU Group** – In 2006, various parties, including the District entered into a Memorandum of Understanding. The purpose of this watershed group is to develop programs and policies for the maintenance, protection, and enhancement of Arroyo Grande Watershed and creeks within the Watershed. The next meeting is scheduled tentatively for late September.
- **Zone 1-1A Flood Control Advisory Committee** – The Committee is focused on the goal to provide input and coordination on proposed improvement and maintenance of the Zone 1/1A

flood facilities, working with the Coastal San Luis Resource Conservation District. At the June 15th Board meeting, the Board approved District staff participation. On August 16th, the District's Plant Superintendent attended this Committee meeting, with topics including an update to the Arroyo Grande Creek annual channel maintenance, Waterway Management Program projects, and annual budget.

- Integrated Water Resource Management (IRWM) – Integrated Regional Water Management (IRWM) is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale that:
 - Crosses jurisdictional, watershed, and political boundaries
 - Involves multiple agencies, stakeholders, individuals, and groups
 - Addresses regional issues and differing perspectives of all the entities involved through mutually beneficial solutions.
 - Develops multi-benefit solutions

At the July 6th Board meeting the Board approved the District's participation in the IRWM program through adoption of a Resolution and becoming signatory under the existing Memorandum of Understanding. *Staff was unable to attend the September 7th meeting due to preparation for our Board meeting that same day. However, County staff informed us afterwards that this District's Board approved participation was announced (as well as Cayucos Sanitation District's) to the full membership.*

- Water Reuse, Central Coast Chapter - The Association is a not-for-profit association (501c6) of utilities, government agencies and industry that advocates for laws, policies and funding to promote water reuse. The Water Reuse Association provides a comprehensive and complementary approach to increasing water reuse in California. *The next meeting of the location chapter will be September 23rd in San Luis Obispo, with an update on the State's progress to draft regulations for direct potable reuse.*
- North Cities Management Area Technical Group - The NCMA TG, which includes representatives from the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the Oceano Community Services District, was formed as a result of the Santa Maria Groundwater Basin (SMGB) Adjudication. This group is exploring various ways to protect and enhance future water supplies in the basin through groundwater monitoring, and the collection and analyzing of data pertinent to water supply and demand. At the meetings, group members share hydrologic and water resources data and information, and water conservation efforts.
- Regional South SLO County Recycling and Countywide Water Action Team/Water Management Efforts: Staff participates in meeting with the City of Pismo Beach, and discusses their efforts with a potential regional recycling project and how might the District participate. In addition, a Countywide Water Action Team has formed, with water managers throughout San Luis Obispo County convening to discuss and collaborate on water supply management solutions, especially in light of the severe drought. The latest meeting was held August 26th.
- *Outreach Efforts* – The District Administrator provided a formal presentation on the District and its initiatives to the Arroyo Grande City Council on July 26th, the Oceano CSD on July 27th, and the Regional Water Quality Control Board on July 28th. *Work continues on overhauling the District's website and drafting our first newsletter since 2013. Separately, on today's agenda, we will be providing an update on the draft newsletter and website overhaul.*

Superintendent's Report

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

Plant Data (Data as Available September 14, 2016)

September 2016	INF Flow MGD	Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	BOD REM Eff. %
Average	2.28	3.64	461	23	453	40	2	263	95
High	2.56	4.5	492	25	470	46	5	375	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2015 Monthly									
Average	2.17	3.42	415	29	438	36	67	194	93
High	2.42	4.8	495	43	494	47	255	402	

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

Operation and Maintenance Projects

- *Unclogged scum trough at primary clarifier #1.*
- *Changed influent pump order.*
- *Replaced moyno sludge pump at #2 primary clarifier.*
- *Changed out pump tubing at ISCO Samplers.*
- *Repaired chlorine leak in chemical pump room.*
- *Unclogged supernatant line on Digester #2.*
- *Recalibrated chlorine sensor at CCT.*
- *Replaced Amiad filter screen.*
- *Repaired natural gas leak (failed line) at digester heating and mixing building.*
- *Drained #2 primary clarifier.*
- *Performed various work orders.*
- *Superintendent and four Operators met with staff at the Goleta Sanitary District WWTP to tour and discuss that facility's experience with transitioning from a TF process to a combination aeration basin/TF process.*

Training

- Staff attended a training session on basic first aid.

Call Outs

- 9/3/2016, 2:14am - Reclaimed water low pressure alarm. VFD Faulted.
- 9/6/2016, 4:49am – Reclaimed water low pressure alarm. VFD Overcurrent.

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION

STIPULATED ORDER NO. R3-2016-0045
SETTLEMENT AGREEMENT AND STIPULATION FOR ENTRY OF
ADMINISTRATIVE CIVIL LIABILITY ORDER NO. R3-2012-0041
IN THE MATTER OF
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
SAN LUIS OBISPO COUNTY

This Settlement Agreement and Stipulation for entry of Administrative Civil Liability Order (Stipulated Order or Order) is entered into by and between the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) and South San Luis Obispo County Sanitation District (Discharger) (collectively known as the Parties), pursuant to Government Code section 11415.60.

Recitals

1. On October 3, 2012, the Central Coast Water Board adopted Administrative Civil Liability Order No. R3-2012-0041, included in this Order as Exhibit A.
2. The Discharger petitioned the State Water Resources Control Board for review of Order No. R3-2012-0041 on November 1, 2012. On October 24, 2014, the State Water Resources Control Board declined to consider the Discharger's petition. On November 24, 2014, the Discharger filed a petition for writ of administrative mandamus and complaint for declaratory relief in San Luis Obispo County Superior Court (*South San Luis Obispo County Sanitation District v. State Water Resources Control Board et al.*, Case No. 14CV-0596). On February 9, 2015, the action was transferred to Sacramento County Superior Court and assigned case number 34-2015-80002033.

Settlement

3. The Parties have engaged in confidential settlement negotiations and agree to settle the matter by presenting this Stipulated Order to the Central Coast Water Board, or its delegee, for adoption as an order by settlement pursuant to Government Code section 11415.60.
4. The Parties are agreeing to resolve this matter without further litigation and without an admission of liability for \$1,109,812.80, with a portion of the settlement proceeds going toward two supplemental environmental projects (SEPs) and an enhanced compliance action (ECA). The proposed SEPs and ECA are attached hereto as Exhibits B, C, and D.

Stipulations

The Parties stipulate to the following:

Administrative Civil Liability

1. The Discharger hereby agrees to the imposition of administrative civil liability totaling **one million, one hundred nine thousand, eight hundred twelve and 80/100 dollars (\$1,109,812.80)**. Not more than 30 days after the entry of an Order of dismissal by the Sacramento County Superior Court of case number 34-2015-80002033, the Discharger shall pay by check to the State Water Resources Control Board Cleanup and Abatement Account one-half of this amount, i.e., \$554,906.40. The Discharger shall indicate on the check the number of this Stipulated Order and send it to the State Water Resources Control Board, Accounting Offices, Attn: ACL Payment, P.O. Box 1888, Sacramento, CA 95812-1888, and shall send a copy of the check to Jessica Jahr, State Water Resources Control Board, Office of Chief Counsel, P.O. Box 100, Sacramento, CA 95812-0100.

Supplemental Environmental Project – Central Coast Ambient Monitoring Program Groundwater Assessment and Protection (CCAMP-GAP)

2. The Discharger agrees to fund CCAMP-GAP in the amount of \$110,981.28. The Project is described in Exhibit B. CCAMP-GAP is administratively funded by the Bay Foundation of Morro Bay, a non-profit third-party organization. The Discharger's liability for this amount is deemed resolved upon payment to the Bay Foundation of Morro Bay.

Supplemental Environmental Project – Groundwater Basin Model

3. The Discharger agrees to contribute \$221,962.56 toward developing a groundwater basin model for the Northern Cities Management Area and Nipomo Mesa Management Area of the Santa Maria Groundwater Basin. The project and schedule are described in Exhibit C. The Discharger will submit a check for \$221,962.56 to the Bay Foundation of Morro Bay for the purposes of funding the groundwater basin model for the Northern Cities Management Area. The Discharger's liability for this amount is deemed resolved upon payment to the Bay Foundation of Morro Bay. The Bay Foundation of Morro Bay will release the funds to pay for the groundwater basin model as the project is completed and as approved by the Executive Officer. If the groundwater basin model is not completed as described in Exhibit C, the Executive Officer will, at his discretion, redirect any or all of the funds to CCAMP-GAP.

Enhanced Compliance Action – Grit Removal System

4. The Discharger agrees to fund construction of a grit removal system at the Discharger's treatment facility in the amount of at least \$221,962.56. The project is described in Exhibit D. These funds are considered a suspended liability until the ECA has been fully implemented. The Discharger represents that (1) it will fund the project in the amount described in this Stipulated Order and (2) it will remain liable for the ECA suspended liability until the project is completed and accepted by the Central Coast Water Board in accordance with the terms of this

Stipulated Order. Discharger agrees that the Central Coast Water Board has the right to require an audit of the funds expended by it to implement the ECA.

5. **Central Coast Water Board Acceptance of Completed ECA.** Upon the Discharger's satisfaction of its ECA obligations under this Stipulated Order and the completion of the ECA and any audit requested by the Central Coast Water Board, Central Coast Water Board staff shall send Discharger a letter recognizing satisfactory completion of its ECA obligations. This letter shall terminate any further ECA obligations of Discharger, as they pertain to this liability, and result in the permanent waiver of the ECA suspended liability.
6. **Failure to Expend all ECA Suspended Liability Funds on the Approved ECA.** In the event that Discharger is not able to demonstrate to the reasonable satisfaction of the Central Coast Water Board that the entire ECA suspended liability has been spent to complete the components of the ECA for which Discharger is financially responsible, Discharger shall pay the difference between the ECA suspended liability and the amount Discharger can demonstrate was actually spent on the ECA as an administrative civil liability. Discharger shall pay this remainder in accordance with Stipulation, Paragraph 1 above, within 30 days of its receipt of notice of the Central Coast Water Board's determination that Discharger has failed to demonstrate that the entire ECA suspended liability has been spent to complete the ECA components.
7. **Party Contacts for Communications related to Stipulated Order:**

For the Central Coast Water Board:

Harvey Packard
Central Coast Regional Water Quality Control Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401
Harvey.packard@waterboards.ca.gov
(805) 542-4639

Jessica Jahr – Staff Counsel
Office of Chief Counsel
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100
Jessica.jahr@waterboards.ca.gov
(916) 341-5168

For the Discharger:

South San Luis Obispo County Sanitation District
c/o Gerhardt Hubner, District Administrator
1600 Aloha Pl., Oceano, CA 93445
Gerhardt@sslocsd.us
(805) 202-8291

Counsel: Gil Trujillo, District Counsel
 204 E. Cook Street
 Santa Maria, CA 93454
 gat1848@comcast.net
 (805) 264-0672

8. **Nonpayment:** In the event the Discharger fails to timely pay the full amount owed pursuant to this Agreement, the Discharger shall owe ten percent per annum pre-judgment interest on any amount due and unpaid from the date payment was due. If the Discharger fails to timely pay any part of the amount owed pursuant to this Agreement, including the aforementioned interest, by 30 days after the date payment was due, Discharger stipulates to entry of a Clerk's Judgment for the unpaid amount, pursuant to Water Code section 13328.
9. **Attorney's Fees and Costs:** Except as otherwise provided herein, each Party shall bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.
10. **Publicity.** Should Discharger or its agents or subcontractors publicize one or more elements of an SEP or ECA, they shall state in a prominent manner that the project is being partially funded as part of the settlement of an enforcement action by the Central Coast Water Board against Discharger.
11. **Public Notice:** The Discharger understands that this Stipulated Order will be noticed for a 30-day public review and comment period prior to consideration by the Central Coast Water Board or its delegee. If significant new information is received that reasonably affects the propriety of presenting this Stipulated Order to the Central Coast Water Board or its delegee for adoption, the Executive Officer may unilaterally declare this Stipulated Order void and decide not to present it to the Central Coast Water Board or its delegee. The Discharger agrees that it may not rescind or otherwise withdraw its approval of this proposed Stipulated Order.
12. **Addressing Objections Raised During Public Comment Period:** The Parties agree that the procedure contemplated for the Central Coast Water Board's adoption of the settlement by the Parties and review by the public, as reflected in this Stipulated Order, will be adequate. In the event procedural objections are raised prior to the Stipulated Order becoming effective, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the procedure as necessary or advisable under the circumstances.
13. **No Waiver of Right to Enforce:** The failure of the Central Coast Water Board to enforce any provision of this Stipulated Order shall in no way be deemed a waiver of such provision, or in any way affect the validity of the Order. The failure of the Central Coast Water Board to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Stipulated Order.

14. **Interpretation:** This Stipulated Order shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party.
15. **Modification:** This Stipulated Order shall not be modified by any of the Parties by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties, and approved by the Central Coast Water Board.
16. **Waiver of Hearing:** The Discharger has been informed of the rights provided by Water Code section 13323, subdivision (b), and hereby waives its right to a hearing before the Central Coast Water Board prior to the adoption of the Stipulated Order.
17. **Waiver of Right to Petition:** The Discharger hereby waives its right to petition the Central Coast Water Board's adoption of the Stipulated Order as written for review by the State Water Board, and further waives its rights, if any, to appeal the same to a Superior Court, federal district court, and/or any appellate court.
18. **Central Coast Water Board is Not Liable:** Neither the Central Coast Water Board members nor the Central Coast Water Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from acts or omissions by the Discharger, its directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Stipulated Order.
19. **Authority to Bind:** Each person executing this Stipulated Order in a representative capacity represents and warrants that he or she is authorized to execute this Stipulated Order on behalf of and to bind the entity on whose behalf he or she executes the Order.
20. **No Third Party Beneficiaries.** This Stipulated Order is not intended to confer any rights or obligations on any third party or parties, and no third party or parties shall have any right of action under this Stipulated Order for any cause whatsoever.
21. **Effective Date:** This Stipulated Order shall be effective and binding on the Parties upon the date the Central Coast Water Board, or its delegee, enters the Order.
22. **Counterpart Signatures:** This Stipulated Order may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document.
23. **Dismissal of the Litigation:** Within 7 days of the Effective Date of this Stipulated Order pursuant to paragraph 18 above, the Discharger will file a request for dismissal with prejudice of Sacramento Superior Court Case No. 34-2015-80002033 as to all respondents/defendants.
24. This settlement agreement, and the attachments explicitly incorporated herein, constitutes the entire agreement between the parties.

IT IS SO STIPULATED.

California Regional Water Quality Control Board
Central Coast Region

By: _____
John M. Robertson
Executive Officer, Regional Water Quality Control Board, Central Coast Region

Date: _____

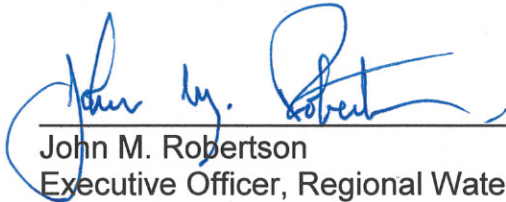
South San Luis Obispo County Sanitation District

By:  _____
Gerhardt Hubner
District Administrator

Date:  _____

IT IS SO STIPULATED.

California Regional Water Quality Control Board
Central Coast Region

By: _____
John M. Robertson
Executive Officer, Regional Water Quality Control Board, Central Coast Region

Date: 9/16/16_____

South San Luis Obispo County Sanitation District

By: _____
Gerhardt Hubner
District Administrator

Date: _____



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

September 9, 2016

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

Dear Mr. Robinson:

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

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

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

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

In response to a conference call on August 16, 2016, in addition to email correspondence on August 29 and August 30, we are attaching several items to address comments and questions. These items include:

- Redundancy Project - Flood Mitigation Strategy (Kennedy Jenks Consultants dated September 7, 2016)
- Evaluation of Wastewater Treatment Plant Site Alternatives and Conceptual Costs for CDP Application (MKN dated September 8, 2016)
- Signed Page 10 from CDP Application with certification by District Administrator and Agency Representative, Gerhardt Hubner
- CEQA Addendum and Signed Resolution by SSLOCSD Board of Directors dated September 7, 2016

Other items discussed in the call or requested in the correspondence are addressed below:

Modified Project Description

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

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

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

Project components are summarized below:

- Two activated sludge (AS) aeration basins
- One new secondary clarifier
- Fixed film reactor (FFR) effluent pump station
- Waste activated sludge (WAS) thickening centrifuge with modifications to existing dewatering platform
- Blower, electrical, and motor control center (MCC) building
- Dewatered sludge conveyor
- Yard piping
- Site improvements
- Instrumentation and controls
- Electrical systems

The project will be completed within the existing plant site on property that has been previously disturbed. No additional property or offsite work will be required. Site plans were submitted with the August 6 package.

As discussed in our conference call on August 16, 2016, the project will also include minor floodproofing improvements as follows:

- Raise (or replace) existing flood barrier around the Standby Power Building to provide an addition 2 feet of flood protection
- Install a new 4 foot high flood barrier around the edge of the Transformer slab
- Raise (or replace) existing flood barrier around the Power Generation Station to provide an additional 6 inches of flood protection

The attached memorandum (Redundancy Project - Flood Mitigation Strategy by Kennedy Jenks Consultants dated September 7, 2016) discusses current and proposed floodproofing measures for the WWTP. A site plan in the memorandum identifies the location of the facilities described above.

Ability to Reuse/Relocated Proposed Redundancy Project Systems or Equipment

The new facilities proposed for the Redundancy Project will not be reused at a new site or new location. The majority of the cost for the Project is for concrete basins, site work, buildings, and fixed equipment that is designed for site-specific conditions. If a new site was pursued by the District or regional partners in the 2050 to 2070 timeframe, past the design life of the majority of the proposed improvements, it would be most cost effective to construct new facilities and dispose of the facilities proposed as part of this project.

Alternative WWTP Sites and Regional Collaboration for Recycled Water

The attached report by MKN summarizes the conceptual costs for relocation of the existing WWTP. The report identifies possible sites around the service area that would allow the District to reduce flood risk as a result of modeled sea level rise past the 2050 to 2070 design life of proposed flood mitigation measures. As described, the effort will require significant coordination among the member agencies and regional partners. Construction costs (on 2026 basis, assuming planning and design began this year) are in excess of \$130M depending on the site, not including property acquisition, easements, and other project costs that cannot be estimated at this time.

Additional Hard Copies of Attachments from August 6 Submittal

Two (2) additional hard copies of the supporting studies from the August 6 submittal are provided.

CEQA Addendum and Signed Resolution

The District Board of Directors approved a resolution of concurrence for an addendum to the 2010 Mitigated Negative Declaration that was provided with the original CDP application. The signed resolution and addendum are attached.

We look forward to discussing the contents of this letter with you at your earliest convenience. We trust that we will find solutions that address your concerns, while meeting District objectives to improve public safety that are at the core of the Redundancy Project.

Sincerely,



Gerhardt Hubner
District Administrator

Attachments:

1. SSLOCSD Wastewater Facility Redundancy Project – Delineation of Waters of the US and the State of California (Merk, 2016) - 2 Copies
2. SSLOCSD Wastewater Treatment Facility – Sea Level Rise Analysis (ESA, 2016) – 2 Copies
3. Redundancy Project - Flood Mitigation Strategy (Kennedy Jenks Consultants, 2016) – 2 Copies
4. Evaluation of Wastewater Treatment Plant Site Alternatives and Conceptual Costs for CDP Application (MKN, 2016) – 2 Copies
5. Signed Page 10 from CDP Application with certification by District Administrator and Agency Representative, Gerhardt Hubner
6. CEQA Addendum and Signed Resolution by SSLOCSD Board of Directors dated September 7, 2016 – 2 Copies

From: lyris@swrcb18.waterboards.ca.gov [mailto:lyris@swrcb18.waterboards.ca.gov]
Sent: Tuesday, September 13, 2016 6:58 AM
To: Gerhardt Hubner <Gerhardt@sslocsd.us>
Subject: Updated 2016/2017 Clean Water State Revolving Fund Intended Use Plan



This is a message from the State Water Resources Control Board.

To All Interested Parties:

The State Water Resources Control Board (State Water Board) has updated the 2016/2017 Clean Water State Revolving Fund (CWSRF) Intended Use Plan. This update provides the current financial outlook for the CWSRF and complementary funding programs and an analysis of the programs' abilities to finance eligible programs. The update is located on the State Water Board's website at http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/fy1617/september_%202016_cwsrf_iup_update.pdf

You are currently subscribed to clean_water_fund as: Gerhardt@sslocsd.us.

To unsubscribe click here: leave-5874871-5050451.732be693bc292d57e6d22505cb7c54ac@swrcb18.waterboards.ca.gov



SOUTH SAN LUIS OBISPO COUNTY
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STAFF REPORT

Date: September 21, 2016

To: Board of Directors

From: Gerhardt Hubner

Subject: UPDATE ON DISTRICT'S PUBLIC OUTREACH INITIATIVE, INCLUDING NEWSLETTER AND WEBSITE OVERHAUL

RECOMMENDATION

Staff recommends the Board receive and file this report, and further direct staff to finalize and distribute the Fall 2016 Newsletter (Attachment No. 1).

BACKGROUND

There are several initiatives planned and budgeted for this Fiscal Year, including Public Outreach. As reported in past District Administrator's reports District staff have initiated several public outreach efforts including: presentations to various City Councils, the Oceano Community Service District, the Regional Water Quality Control Board and others. In addition, as part of this initiative, we have also begun a website overhaul and development of materials for distribution to the public highlighting District activities and accomplishments. Future public outreach efforts will include development of a flyer for the Redundancy Project, development of source control and pollution prevention materials, program and project brochures, question and answer sheets, and other public outreach materials as directed or identified.

DISCUSSION

Website Overhaul: The District's current website is inadequate for a variety of reasons, including readability, ability to access and post documents, and ease of use. The website also does not incorporate the latest industry standard website features, website technology and programming that would allow staff, the Board or the public to fully utilize it as a public outreach tool. Therefore, this July staff contracted with Everywhere Right, Inc, a local internet technology and website designer. This contract was executed after staff earlier solicited several quotes from a variety of website designers, both locally, and regionally. This firm was also chosen since they provided a very competitive price, are a local firm, have a demonstrated ability to deliver a website overhaul in a reasonable amount of time, provided low cost hosting and maintenance, and have an understanding of District needs. One of their most recent successful efforts was the development of the website for the Nipomo Community Service District.

Currently, the consultant has completed the discovery phase, and initial screen shots, and now has moved into the programming phase. Next will be migrating of existing content (past Board

agendas, resolutions, documents and reports, etc.). The website is tentatively scheduled to go live by the end of October.

Newsletter: The District's last Newsletter was published in 2013, and posted on our website. It is unknown how, or if this Newsletter was ever formally distributed to the District's ratepayers, other than the website.

This summer, staff embarked on compiling information, data and materials for a new Newsletter. This Fall 2016 edition includes the following elements:

1. 2010 Spill Settlement and details on the community supplemental and compliance enhancement projects;
2. Profile of District Administrator;
3. District History; and
4. Notable Accomplishments

The later list of accomplishments was compiled from received staff input and review of past Board agenda materials for FY 2015-2016.

Staff proposes to distribute the Fall 2016 Newsletter in either of two ways. One would be print, and distribute the Newsletter to all ratepayers in the District. This could be accomplished by requesting our member agencies (Cities of Arroyo Grande, and Grover, and the Oceano Community Service District) include the Newsletter through their resident's utility bill. Alternatively, District staff could also do a direct mail out to all our ratepayers ourselves, with assistance of an entity or contractor similar to the effort on our recent wastewater billing.

Another option, to save costs, would be to solely distributed or advertise the Newsletter by posting it only to our website (this will also be done in any the option listed above). Note, however, that website posting will likely only reach a faction of our ratepayers.

Today we are seeking your feedback and input on our Fall 2016 Newsletter. We request direction upon receiving Board and public feedback to final this Newsletter, and distribute it per one or more of the options listed above.

ATTACHMENTS:

1. Draft Fall 2016 Newsletter

DRAFT 3



SSLOCS D NEWS

Important information from South San Luis Obispo County Sanitation District

September 2016

Settlement Brings Funds Back to Community

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

Specific elements of the Settlement include a cash payment to the State of California Clean-up and Abatement Account in the amount of \$554,906.40 as well as three Supplemental Environmental Projects (SEP) or Enhanced Compliance Projects totaling \$554,906.40.

This allows the District to not only settle the civil liability, but also guarantee that 50% of the money will be spent locally to improve the plant.

During the July Regular meeting, the District Board stated "this settlement is a major accomplishment for the District and allows us to move forward on new initiatives including investing in the District's wastewater infrastructure and exploring ways to use our wastewater for beneficial purposes regionally."

More on page 2.



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Community Projects Continued...

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

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

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

These funds will assist with the development of a groundwater flow model and modeling analysis for the Northern Cities Management Area (NCMA) and Nipomo Mesa Management Area (NMMA) of the Santa Maria Groundwater Basin (SMGB). Completion of the model will be a critical step toward improved groundwater resources management and long-term water supply reliability and will assist agencies to confidently plan and manage long term water supply operations and mitigate seawater intrusion. This model will also provide information for a future regional water recycling project involving groundwater injection or groundwater recharge.

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

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

Meet Your District Administrator

Gerhardt was born and raised in Southern California. He attended Cal Poly Pomona for Civil Engineering and graduated from San Diego State University with a Bachelor of Science in Geological Sciences, emphasis in Engineering Geology. He is Professional Geologist licensed with the State of California.



Gerhardt began his career at the Los Angeles Regional Board where he was involved with Basin Planning and Standards development, and creation of the 1994 Basin Plan.

In 1995, he transferred to the Central Coast Region where he worked 10 years as Senior Engineering Geologist, supervising all surface and groundwater water quality permitting within coastal SLO County and all of Santa Barbara County. He was also involved with several high profile projects including cleanup of Avila Beach, the Buena Vista and Klau mines in northwest San Luis Obispo County, and the Los Osos Wastewater Project.

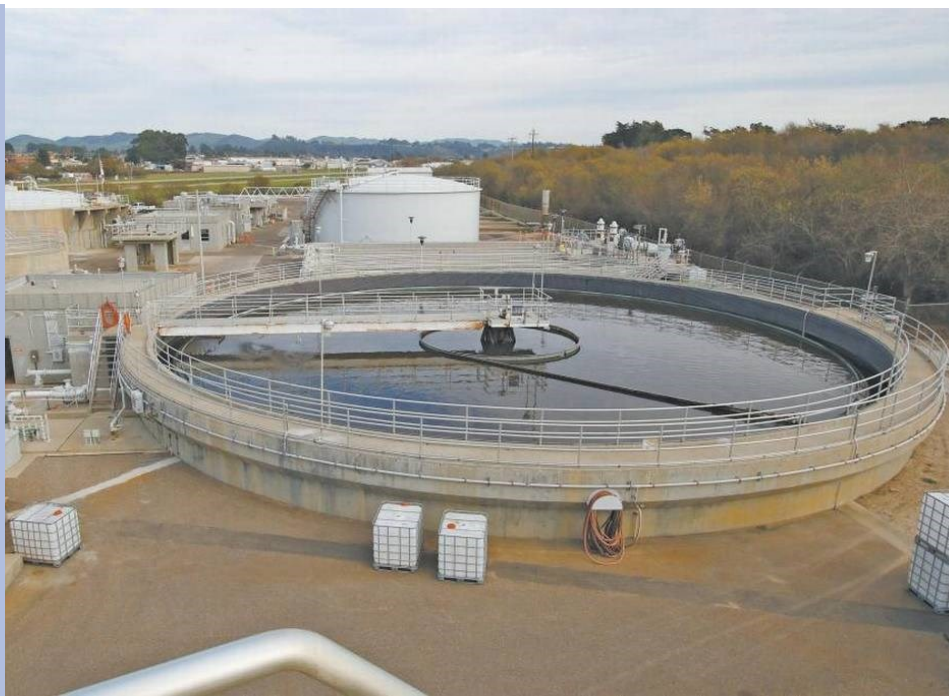
Until accepting the position with the District, Gerhardt worked for the County of Ventura, Watershed Protection District as Deputy Director of Public Works overseeing the Water and Environmental Resources Division.

District History

In 1958 the Grover City County Water District commissioned engineering studies to investigate the rising nitrate levels observed in local ground water resources. At the time, Grover City (now Grover Beach) and nearby Oceano were entirely un-sewered and dependent on the use of individual septic tanks. Much of nearby Arroyo Grande was sewerred with a system leading to a treatment plant ("sewer farm") disposing of partially treated wastewater onto adjacent land.

Results of the studies confirmed the need to adequately address septic tank and "sewer farm" impact on local ground water. As a result, The County Board of Supervisors formed the South San Luis Obispo County Sanitation District on September 3, 1963. Federal grant funding was awarded and by 1966 construction was completed, allowing for nearly 9 miles of incoming trunk sewer lines, a new wastewater treatment plant, and an ocean outfall line for discharge of the treated wastewater.

The District has completed several modifications, improvements and expansions to the wastewater treatment plant since the original date of construction in order to better serve South County residents.



Clarifier at the SSLOCSD Wastewater Treatment Plant

Providing Quality Services

The SSLOCSD continually strives to provide quality services to the public. During the 2015/2016 calendar years, the District succeeded in either initiating or completing projects including:

Pipeline Repair at Plant Headworks

This project replaced the pipeline at the plant headworks (beginning stage for wastewater treatment) due to normal wear and tear. It was initiated in July 2015 and completed September 2015. Other related work was also completed to promote overall operational efficiency.

Information Technology Integration

In June 2016 the District completed an information technology integration project into wastewater operations to promote efficiency.

Wastewater Redundancy Project

Since 2005, the District Board has discussed and evaluated the need for additional treatment processes at the plant. Over the past year the District has secured funding for the first phase of the project and, at its September 7th Board meeting, the Board adopted a Resolution allowing staff to take the next steps towards the project. The project is currently in the design stage. Watch for more information on this project in the coming months.

More on back.

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Quality Services Continued...

Additionally, the District has a team of dedicated staff and Board of Directors who work hard to maintain the quality of service provided to the Five Cities area. Over the past year the District was able to accomplish the following:

Administrative

- Established a Reserve Policy
- Adopted a balanced budget
- Resolved billing issues by placing delinquencies on County tax roll
- Completed and filed an annual Compliance Report

Operations

- Achieved 100% acceptable data for prior year's Annual Proficiency Testing and on track to receive 100% again this year
- Installed a grinder to help break down items that would otherwise get caught and cause operational inefficiency
- Installed a back-up Bisulfite system to ensure discharge requirements are met and a skimmer arm to improve operations

Contact Us

So SLO County Sanitation District

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amy@sslocsd.us

Visit us on the web at
www.sslocsd.org

COMING SOON!



South San Luis Obispo County
SANITATION DISTRICT

Later this fall the District
will be launching a new,
user friendly website.
Watch for more
information.



**So SLO County
Sanitation District**
1600 Aloha Place
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POSTAGE

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City of Grover Beach

Mary Lucey, Director

Oceano CSD

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Bookkeeper