



**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](http://www.sslocsd.us)

**AGENDA  
BOARD OF DIRECTORS MEETING**  
Arroyo Grande City Council Chambers  
215 E. Branch Street,  
Arroyo Grande, California

**Wednesday, March 06, 2019, at 6:00 p.m.**

**Board Members**

Jeff Lee, Chair  
Caren Ray Russom, Vice Chair  
Linda Austin, Director

**Agencies**

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

**Alternate Board Members**

Barbara Nicolls, Director  
Lan George, Director  
Cynthia Replogle, Director

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

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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 Meeting Minutes of February 20, 2019**

**5C. Request Approval to Enter into Agreement with Ramsey Asphalt to Raise Valley Rd. Manholes**

**6. ACTION ITEMS:**

**6A. CONTRACT AMENDMENT FOR GENERAL ENGINEERING SERVICES WITH MKN AND ASSOCIATES**

Recommendation: That the contract for general engineering service with MKN and Associates be amended to increase the total contract limit from \$100,000 to \$150,000 and to extend the contract termination date to January 31, 2019.

**6B. FISCAL YEAR 2018/19 MID-YEAR BUDGET REVIEW; ADOPT RESOLUTION NO. 2019-403 AUTHORIZING BUDGET ADJUSTMENTS**

Recommendation:

1. Review the recommended budget adjustments;
2. Adopt Resolution No. 2019-403 authorizing budgetary adjustments.

**6C. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT**

Recommendation: Receive and File Report.

**7. MISCELLANEOUS ITEMS:**

**8. BOARD MEMBER COMMUNICATIONS:**

**9. ADJOURNMENT**

The next regularly scheduled Board Meeting on March 20, 6:00 pm at the  
Arroyo Grande City Hall Chambers,  
215 E. Branch Street, Arroyo Grande, California

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
WARRANT REGISTER  
3/6/2019

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST ANALYTICAL, INC	CHEMICAL ANALYSIS	19-0758	030619-3610	7078	125.00	125.00
ADVANCED FLOW MEASUREMENT	EQUIPMENT MAINTENANCE	3576	3611	8030	875.00	875.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	MARCH; APRIL	3612	6025	1,441.54	1,441.54
ARAMARK	UNIFORMS	02/15/19; 02/22/19; 03/01/19	3613	7025	577.89	577.89
AT&T	TELEPHONE	02/11/19-03/10/19	3614	7013	195.89	195.89
AUTOSYS, INC.	REDUNDANCY	2297	3615	20-7080	800.00	800.00
BRENNTAG	PLANT CHEMICALS	BPI918040; BPI920091	3616	8050	12,088.81	12,088.81
CAREN RAY RUSSOM	BOARD SERVICE	FEBRUARY	3617	7075	200.00	200.00
CENTRAL COAST TECH CONSULTANTS	COMPUTER SUPPORT	MARCH	3618	7082	493.43	493.43
CHARTER BUSINESS	TELEPHONE/INTERNET	3/1/2019-3/28/19	3619	7013	299.95	299.95
DE JESUS GARDENING	GROUNDS MAINTENANCE	FEBRUARY	3620	8060	450.00	450.00
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	MARCH	3621	7082	100.00	100.00
FARM SUPPLY	EQUIPMENT MAINTENANCE	63190	3622	8030	40.66	40.66
FRANKS LOCK AND KEY	EQUIPMENT MAINTENANCE	46748	3623	8030	243.61	243.61
HAULAWAY	EQUIPMENT RENTAL	01/24/19-02/20/19	3624	7032	93.80	93.80
HOPKINS TECHNICAL PRODUCTS	EQUIPMENT MAINTENANCE	3619300192	3625	8030	372.14	372.14
JAN PRO	STRUCTURE MAINTENANCE	MARCH	3626	8060	520.00	520.00
JB DEWAR	FUEL	899220	3627	8020	71.62	71.62
JEFF LEE	BOARD SERVICE	FEBRUARY	3628	7075	200.00	200.00
JONES & MAYER	OUTSIDE COUNSEL	JANUARY	3629	7070	1,850.00	5,350.00
	LEGAL COUNSEL	JANUARY		7071	3,500.00	
KENNEDY JENKS	REDUNDANCY	JANUARY	3630	20-7080	56,449.65	56,449.65
LINDA AUSTIN	BOARD SERVICE	FEBRUARY	3631	7075	200.00	200.00
MINERS	HOUSEHOLD SUPPLY	FEBRUARY	3632	8035	376.65	376.65
OEC ENVIRONMENTAL	CHEMICAL ANALYSIS	MULTIPLE	3633	7078	1,633.00	1,633.00
PACIFIC GAS & ELECTRIC	REDUNDANCY	2188858	3634	20-7080	5,000.00	5,000.00
PC MECHANICAL	EQUIPMENT MAINTENANCE	34396	3635	8030	990.00	990.00
PRAXAIR	EQUIPMENT RENTAL	01/20/19-02/20/19	3636	7032	31.85	31.85
PRECISE WEIGHING SYSTEMS	LAB SUPPLIES	3229	3637	8040	285.00	285.00
READY REFRESH	HOUSEHOLD SUPPLY	01/25/1902/24/19	3638	8035	130.80	130.80
SM TIRES	EQUIPMENT MAINTENANCE	582495	3639	8030	224.01	224.01
STATE FUND COMP INSURANCE	WORKERS COMPENSATION	03/01/19-04/01/19	3640	6080	2,174.50	2,174.50
VWR	LAB SUPPLIES	2019-092	3641	8040	278.33	278.33
WILLIAM ROMHILD	MEDICAL REIMBURSEMENT	FY 18/19	3642	6075	243.86	243.86
WINEMA INDUSTRIAL	SAFETY SUPPLIES	2272	3643	8056	120.00	120.00
<b>SUB TOTAL</b>					<b>\$ 92,676.99</b>	<b>\$ 92,676.99</b>
<b>GRAND TOTAL</b>					<b>\$ 92,676.99</b>	<b>\$ 92,676.99</b>

We hereby certify that the demands numbered serially from 030619-3610 to 030619-3643 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE: \_\_\_\_\_

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Secretary



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## **SUMMARY ACTION MINUTES Regular Meeting of Wednesday, February 20, 2019**

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### **1. CALL TO ORDER AND ROLL CALL**

Chair Lee called the meeting to order and recognized a quorum.

Present: Jeff Lee, Chair, City of Grover Beach  
Caren Ray Russom, Vice Chair, City of Arroyo Grande  
Linda Austin, Director, Oceano Community Services District

District Staff: Jeremy Ghent, District Administrator;  
Gilbert Trujillo, Legal Counsel,  
Amy Simpson, District Bookkeeper/Secretary

### **2. PLEDGE OF ALLEGIANCE**

Director Austin led the Pledge of Allegiance.

### **3. AGENDA REVIEW**

Approved unanimously by voice vote.

### **4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA**

Chair Lee opened the Public Comment period.

Kris Victorine commented on consideration a five-member Board.

Julie Tacker commented on consideration of a five-member Board; the Central Coast Blue Project and read a quote from Ben Fine, City Engineer Pismo Beach.

Brad Snook, Chair of County Chapter Surfrider Foundation, commented on the Central Coast Blue Project; and the brine program.

Chair Lee closed the Public Comment period.

### **CONSENT AGENDA:**

**5A. Approval of Warrants**

**5B. Approval of Meeting Minutes of February 06, 2019**

**5C. Approval of Resolution 2019-402 Adopting Updates to the 2019 Bylaws.**

Chair Lee opened the Public Comment period.

Patricia Price commented on the Bylaw Update specifically Sections 2.4 Special Meetings, 4.1 Agendas and 13.1 Conflicts of Interest.

Chair Lee closed the Public Comment period.

Legal Counsel provided an update to the Conflict of Interest Section 13.1 of the Bylaws. He said this section is to put board members on notice that this could be a potential issue and to seek advice from legal counsel. He also clarified that Section 2.4 Special Meetings does require two members to contact the administrator to put an item on an agenda.

**Motion:** Director Austin motioned to approve the Consent Agenda as presented.

**Second:** Vice Chair Russom

**Action:** Approved unanimously by roll call vote. Vote carries 3-0.

**6. ACTION ITEMS:**

**6A. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT**

Administrator Ghent presented this report. He reported that redundancy continues to move along, and staff expects final plans in early April. He said Moss Levy & Hartzheim (MLH) will present the Fiscal Year 2017/18 audit at the March 20, 2019 Board meeting. He visited the wastewater treatment facility at Heritage Ranch Community Service District and had a discussion with the general manager about staffing small districts. He gave an update on Central Coast Blue and said staff continues to work on technical efforts to provide data in the environmental document. He said the District is doing lab analysis for our effluent so the project team can see what the process of an advanced treatment facility would need to include to treat the effluent to a standard to be injected back into the groundwater basin. He reported that Director Austin toured the plant. He then presented the operations report and said the numbers continue to be very good and no violations occurred during this reporting period and that staff replaced the overhead door on the fixed film reactor. He will bring the mid-year budget adjustments on March 06, 2019 and the tribute to Director Nicolls will be on March 20, 2019.

Chair Lee opened the Public Comment period.

Julie Tacker commented on Inflow and Infiltration Study; conservation of water and Central Coast Blue Project.

Chair Lee closed the Public Comment period.

**Action:** The Board received and filed the report.

**7. MISCELLANEOUS ITEMS**

Correspondence was received from California Special District Association (CSDA) asking if any of our elected would be interested in sitting on the CSDA Board.

**8. BOARD MEMBER COMMUNICATIONS**

Chair Lee asked if there was an interest into having a discussion on increasing to a five-member Board.

Legal Counsel has provided a previous board a memo regarding increasing to a five-member board and recalls that it requires a legislative act.

The Board requested that the Memo be brought back.

**9. ADJOURN MEETING**

The meeting was adjourned at 6:30 p.m.

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



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### **STAFF REPORT**

**Date:** March 6, 2019

**To:** Board of Directors

**From:** Jeremy Ghent, District Administrator

**Via:** Mychal Jones, Plant Superintendent

**Subject:** **REQUEST APPROVAL TO ENTER INTO AN AGREEMENT WITH  
RAMSEY ASPHALT CONSTRUCTION TO RAISE VALLEY ROAD  
MANHOLES**

#### **RECOMMENDATION:**

That the Board of Director's approve and authorize the District Administrator to enter into an agreement with Ramsey Asphalt Construction to raise (4) four Valley Road manholes to grade in the amount of \$7,999.00.

#### **BACKGROUND:**

The District needs to maintain continued access to manholes to perform inspection, maintenance, repair, and emergency services. The District's manholes were covered during the repaving of Valley Road as part of the on-going San Luis Obispo County Asphalt Overlay Project and have not been raised to grade. In order to regain access to the manholes, the District needs services to locate and raise the covered manholes.

#### **DISCUSSION:**

Operations staff solicited quotes to three construction companies. All companies responded. The quote from Whitaker Construction Group was \$19,470.00, the quote from Ramsey Asphalt Construction was \$7,999.00, and the quote from CalPortland Construction was \$7,612.00. All quotes meet the specifications and requirements needed by the District to raise the Valley Road manholes. Due to unforeseen costs for locating manholes in addition to the quoted price, CalPortland construction was not selected for the project.



**FISCAL CONSIDERATIONS:**

A line item of \$175,000.00 was included in the Adopted Budget for Fiscal Year 2018-2019, under Fund 26, Project No. 26-8015 - *Trunk Sewer Maintenance* – which is for the maintenance and repairs of various components in the trunk sewer system. Staff recommends that the budgeted funds be used for the manhole raising agreement.

**ATTACHMENTS:**

1. Ramsey Asphalt Construction Quote for Repair Services



# RAMSEY ASPHALT CONSTRUCTION

# Proposal 15130

## Customer

South SLO County Sanitation District  
1600 Aloha Pl.  
Oceano, CA 93449  
Ph: 489-6666 Attn: Billy  
billy@sslocsd.us

## Company Rep.

Scott

## Payment Terms

Due on receipt

## Date

2/1/2019

## Project

Valley Rd. Arroyo Grande Repairs 2019

DESCRIPTION	QTY	UNIT	COST	TOTAL
We will complete job as follows:				
Locate 4 areas via metal detector and raise utility cover per SLO standard.	4	Ea.	1,997.50	7,990.00
PREVAILING WAGES APPLY				
Preserve, Protect & beautify is what we do best. Ramsey Asphalt Construction provides all customers with a 3 YEAR WARRANTY on all work. This warranty does not include oil spots, cracks or structurally damaged areas. As for paving projects warranty is void if any other company does any kind of work or repairs to new paving other than RACC. RAMSEY ASPHALT IS TO BE NOT HELD RESPONSIBLE FOR WATER PIPES, ELECTRICAL LINE, GAS LINES OR ANY BURIED UTILITY THAT IS NOT INSTALLED PER CODE A MINIMUM 18" IN DEPTH.				
We hereby propose to furnish labor & materials to complete in accordance with the above specifications.				

## The Paving & Maintenance Specialist.

**TOTAL \$7,990.00**

We are not responsible for acts of nature, weather, sprinklers, or damage caused by animals, people, or vehicles before, during or after the project. Permits are to be handled by the owner or prime contractor. All invoices are due upon receipt or will be assessed a finance charge of 1.5% per month. This agreement may be amended or modified only by an instrument in writing, stating the amendment or modification, executed by the parties hereto. All Work in excess of the work described herein shall be subject to a written and executed change order and will be billed in addition to the figures noted herein. This agreement shall be governed by and construed in accordance with the laws of the state of California. In the event that it is necessary to institute any action to enforce any right granted herein or to redress any alleged breach hereof, then the exclusive venue for such action shall be the Superior Court for the County of Santa Barbara, Santa Maria Branch.

If any action or proceeding is brought for the enforcement of this Agreement, or for a declaration of rights and duties hereunder, or because of an alleged dispute, breach, default, or misrepresentation in connection with any provision of this agreement, the successful or prevailing Party shall be entitled to recover actual attorneys' fees and other costs incurred in connection with that action or proceeding, in addition to any other relief to which the Party may be entitled. Work delays or damages caused by property owners, tenants, property managers, property employees, or other third parties may cause the total cost stated in this agreement to increase ("Additional Fees") due to any number of factors including, but not limited to, the need for additional trips, additional work, or increased cost of material. Customer agrees to pay these additional fees as they arise upon presentment of invoice.

## Contractor's Signature

## Date

2/1/2019

## Customer's Signature

## Date of Acceptance

Print Signer's Name ►

Ramsey Asphalt  
P.O. Box 8115  
Santa Maria, CA 93456

805.928.9583  
FAX: 805.435.3748  
Lic# 881030 C12/C32

ramseyasphalt.com

This proposal is good for

**30 DAYS**

Asphalt Mfg's prices subject to monthly price increases



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## **STAFF REPORT**

**Date:** March 6, 2019  
**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator  
**Subject:** **CONTRACT FOR REDUNDANCY ADMINISTRATION SERVICES WITH MKN AND ASSOCIATES**

### **RECOMMENDATION:**

Authorize the District Administrator to Execute a Contract for Redundancy Administration Services with MKN and Associates, Inc., in the amount of \$105,725.

### **BACKGROUND AND DISCUSSION:**

In April 2016, the District contracted with Kennedy/Jenks Consultants (K/J) for completion of the Project Design for the Redundancy Project. Completion of design is anticipated for April 2019 and the District plans to advertise the bid package by Fall 2019. The California Coastal Commission granted conditional approval for the project through a Coastal Development Permit, approved in May 2017.

Since 2016 MKN has provided the district with general engineering services. As part of these general engineering efforts MKN has supported multiple efforts in the Redundancy Project such as developing various technical memos, preparing the State Revolving Fund loan application, and providing USDA funding support.

The District is seeking to procure professional services that will ensure that the project continues with appropriate support and oversight. After many years as the District's General Engineering firm MKN provides a unique project background and understanding.

MKN and Associate's services are being procured to provide the efforts summarized below:

- Review current project documents, including the final design submittal, permit requirements, and funding requirements;
- Integrate funding and permitting conditions into the general specifications for project bidding;
- Assist with final approval of Coastal Development Permit;
- Assist with construction bid phase;
- Review project expenditures and evaluate status of the project budget;

- Lead procurement for Construction Management team and Startup and Commissioning team;
- Attend Project Meetings through design, bid, and construction;
- Provide monthly reporting to the District Administrator;
- Assist with reporting project status to the District Board of Directors;
- Provide consultant coordination;
- Provide construction phase support services as owner's representative; and
- Provide as-needed staff support services related to the project.

### **Options**

1. Reject staff recommendation and direct staff to solicit request for proposals (RFP) to address the needs for the noted administration services.

### **Fiscal Consideration**

Currently the Redundancy project is estimated to cost \$27.9 million. Of this \$27.9 million \$500,000 or 1.8% is currently budgeted for project administration costs.

Due to the difficulty in estimating project support needs over four years, we are currently requesting authorization for the first year's budget and scope of work, with the subsequent budget to be reviewed and authorized annually. While the current request is for \$105,725, it is anticipated that approximately \$250,703 of future administration effort will be necessary to support the full duration of the project.

### **Outcome**

Approval of this contract will provide the necessary professional resources to support Redundancy project permitting, construction management selection, construction bidding and construction award for the next 12 months.

### **ATTACHMENT:**

Proposal - Staff Support for Redundancy Project



February 28, 2019

Jeremy Ghent  
District Administrator  
South San Luis Obispo County Community Services District  
Sent via email

**RE: Proposal – Staff Support for Redundancy Project**

Dear Jeremy,

Michael K. Nunley & Associates, Inc., (MKN) is pleased to submit this proposal to provide staff augmentation services for management of the Wastewater Treatment Plant (WWTP) Redundancy Project. The WWTP Redundancy Project is currently in the final design stages and consists of significant upgrades to the District's WWTP in order to provide important process redundancy. We understand the District is in need of assistance to manage the various consultants work, respond to data needs, and help ensure critical financing and permitting requirements are met. MKN proposes to supplement the District's current staff availability and consultants' scopes and capabilities.

**PROJECT UNDERSTANDING**

The WWTP Redundancy Project is intended to provide redundancy to allow major process units to be removed from service for maintenance or repairs without violation of effluent permit limits. The main project components are summarized below:

- Two activated sludge (AS) aeration basins
- One new secondary clarifier
- Fixed film reactor (FFR) effluent and primary effluent pump station
- Waste activated sludge (WAS) thickener with modifications to existing dewatering platform
- Blower, electrical, and motor control center (MCC) building
- Yard piping
- Site improvements
- Instrumentation and controls
- Electrical systems
- Floodproofing of critical plant systems
- Rehabilitation of existing secondary clarifier
- New generator to provide backup power for new facilities

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.

In April 2016, the District contracted with Kennedy/Jenks Consultants (K/J) for completion of the Project Design. Completion of design is anticipated for April 2019 and the District plans to advertise the bid package by Fall 2019. The California Coastal Commission granted conditional approval for



the project through a Coastal Development Permit, approved in May 2017. The District has been pursuing a low-interest loan and grant funding with USDA and anticipates completing the application process prior to construction starting.

The proposed scope of work and budget are provided herein.

### **SUMMARY OF PROPOSED ENGINEERING SERVICES**

MKN will provide District staff support services for the District's WWTP Redundancy Project. This proposal includes the work anticipated for the duration of the project (estimated to be approximately three years). However, due to the difficulty in estimating project needs over such a long term, we are requesting authorization for the first year's budget and scope of work, with the subsequent budget to be reviewed and authorized by the District Administrator annually. The main scope items include:

- Review current project documents, including the final design submittal, permit requirements, and funding requirements;
- Integrate funding and permitting conditions into the general ("upfront") specifications for project bidding;
- Assist with final approval of Coastal Development Permit;
- Assist with construction bid phase;
- Review project expenditures and evaluate status of the project budget;
- Lead procurement for Construction Management team and Startup and Commissioning team;
- Attend Project Meetings through design, bid, and construction;
- Provide monthly reporting to the District Administrator;
- Assist with reporting project status to the District Board of Directors;
- Provide consultant coordination;
- Provide construction phase support services as owner's representative; and
- Provide as-needed staff support services related to the project.

### **SCOPE OF WORK**

#### **TASK GROUP 100      REVIEW OF CURRENT PROJECT DOCUMENTATION**

##### **101 Review Final Design Submittal (plans, specifications, cost opinion, and schedule)**

MKN will review the final design submittal provided by K/J. We understand the District reviewed the 90% design submittal and provided comments, and the final submittal is currently under development. The review will be focused on consistency of the design documents with project financing and permitting requirements.

##### **102 Review Project Permits and Loan and/or Grant Agreements**

MKN will review the following documents to determine conditions and requirements:

- Coastal Development Permit (CDP)
- Air Pollution Control Board permits (if applicable)
- USDA loan requirements

- USDA grant requirements (if applicable)

Based on the review, MKN will develop a list of conditions and action items and determine the associated due dates and responsible party in consideration for integration into the bid documents.

### **103 Review Project Expenditures and Evaluate Status of Project Budget**

We understand the existing project expenditures are being tracked under the project, but have not been delineated into any categories. The District would like to understand the status of the project budget. To evaluate the project budget, MKN will review the project expenditures to date and divide them into categories, such as permitting and design, to match categories in the project budget and allow for an evaluation of the project budget. It is assumed the District will provide project expenditures in an Excel spreadsheet or comma delimited file. MKN will deliver a summary of the results in a brief memorandum and the analysis in an Excel spreadsheet.

### **Task 104 Life Expectancy Analysis**

A Life Expectancy Analysis is required as part of the CDP compliance, due to the California Coastal Commission (CCC) by May 10, 2019. Based on the conditional CDP (#5 of Part III Special Conditions), the "Analysis shall include an evaluation of the annual and long-term costs of maintaining the existing plant at its current location (including repairing/maintaining and replacing existing components, upgrading existing components to meet regulatory (RWQCB or other) requirements/specifications, and responding to coastal hazards risk...". Additional guidance of the expectation for the analysis is provided in the conditional CDP. MKN will review existing related available information and develop a draft Life Expectancy Analysis for the District's review. We assume information regarding installation and/or maintenance dates for the major WWTP equipment is available. MKN will coordinate with District staff for review of the preliminary list of major WWTP components and life expectancy information (age, condition, maintenance, replacement time and cost, etc.). Once the analysis is finalized, MKN will develop a cover memorandum to complete the submittal package for the CCC.

## **TASK GROUP 200      COMPLETION OF BID DOCUMENTS AND PROCUREMENT SUPPORT**

### **201 Completion of Bid Documents**

We understand the final design plans are currently being developed and may be completed before the project funding is determined. The District is currently completing the application materials for a loan and/or grant through United States Department of Agriculture (USDA). The District is developing the project financial plan with the assistance of Bartle Wells Associates (BWA). Additionally, the Coastal Development Permit (CDP) was conditionally approved in May 2017 and a final CDP is still required before the project can be constructed. MKN will perform the following tasks to assist the District in completion of the project bid documents:

- Add provisions to the project General Specifications ("upfront documents") based on funding and permitting requirements. This will be based on review of the final design submittal and funding and permitting documents (Tasks 101 and 102). It is assumed the District's design engineer (K/J) will stamp and sign the technical specifications and the plans. MKN will develop provisions to be added to the District's General Specifications based on the funding requirements (from USDA and/or bonding agencies) and the final CDP.

- MKN will provide the draft provisions to the District and K/J for review of potential impact to the technical specifications or plans, integrate comments, and compile the final provisions for the final project bid documents.
- Complete the final bid documents. It is assumed the General Specifications and upfront documents will be complete, with the exception of final funding and permit requirements, bid document information (where to obtain a set of bid documents), and relevant bid dates. MKN will complete these sections and prepare the Final Bid Documents for District review.

## **202 Consultant Coordination**

MKN will coordinate with the District's various project consultants, including the design engineer, financing consultant, and environmental consultants, to reduce potential for schedule impacts and help ensure project requirements are met. We recommend a budget of 2 hours per week until completion of the construction bid phase.

## **203 Reporting**

MKN will provide a monthly report of work completed for the District Administrator to accompany the invoice.

## **204 Allowance for As-Needed Assistance**

A budget of 64 hours is recommended for as-needed assistance that may be required before completion of the construction bid phase. This is based on an average of two hours per week over eight months.

## **205 Construction Bid Assistance**

We understand the District's Design team will be preparing the bid package for construction. This scope of work assumes the District (or others) will provide bid distribution, maintain the bidders list, and prepare and distribute addenda as needed. We recommend the District contract with ASAP Reprographics for bid distribution. MKN will perform the following tasks during bid phase:

- *Prepare the Invitation to Bid (completed under Task 201)*
- Perform informal outreach to contractors (prior to bid advertisement).
- Coordinate with ASAP Reprographics for bid distribution.
- Manage Requests for Information (RFIs) from potential bidders, coordinate with the District and District's consultants for responses and addenda as needed, and coordinate with ASAP for posting Response to RFIs and addenda.
- Attend the pre-bid conference. We assume K/J will coordinate and lead the pre-bid conference.
- Prepare bid tabulation and checklist for bid forms
- Review bid results for responsiveness and qualifications, tabulate the bids, and provide recommendation of award.
- Review contract documents from Contractor and prepare Notice to Proceed

We recommend budgeting 78 hours for Task 205.



### **Task 206 Procurement of Construction Management Team**

MKN will perform the following services for procurement of a construction management team:

- Develop Request for Proposals (RFP) for construction management (21 hours assumed)
- Coordinate and attend pre-proposal meeting (12 hours assumed)
- Respond to Requests for Information and issue addenda as needed (12 hours assumed)
- Review proposals (12 hours assumed)
- Coordinate District review and interview process (16 hours assumed)
- Negotiate scope and budget with preferred consultant (8 hours assumed)
- Prepare staff report and recommendation for District (4 hours assumed)
- Meet with potential proposers and coordinate regular communication and outreach (12 hours assumed)

A total of 97 hours is budgeted for Task 206.

### **Task 207 Procurement of Startup and Commissioning Assistance**

MKN will perform the following services for procurement of startup and commissioning assistance:

- Develop Request for Proposals (RFP) for startup and commissioning assistance (21 hours assumed)
- Respond to Requests for Information and issue addenda as needed (12 hours assumed)
- Review proposals (12 hours assumed)
- Coordinate District review and interview process (16 hours assumed)
- Negotiate scope and budget with preferred consultant (8 hours assumed)
- Prepare staff report and recommendation for District (4 hours assumed)
- Meet with potential proposers and coordinate regular communication and outreach (12 hours assumed)

A total of 85 hours is budgeted for Task 207.

### **TASK GROUP 300 CONSTRUCTION PHASE SUPPORT**

MKN will provide staff support during project construction. It is assumed the District's Construction Manager will provide Resident Engineer (RE) services and field staff for construction observation. MKN will serve as an extension of District staff and assist with general project oversight, review of materials, and evaluation of issues that require District input. MKN will report directly to the District Administrator. The following tasks are included in this scope of work:

- Pre-Construction Conference: MKN will attend the pre-construction conference and assist with requests for information. It is assumed the pre-construction conference will be organized and led by the District's Construction Manager. A budget of 4 hours is included
- Weekly Progress Meetings: MKN will attend weekly progress meetings with the Contractors, permit agencies (if applicable), and the District's Construction Manager. MKN will prepare for these meetings (i.e., review the most current schedule, and coordinate with the Construction Manager regarding the agenda ahead of the meeting). It is assumed the

Construction Manager will chair these meetings, develop the agenda and conduct each meeting, and prepare meeting minutes and/or action items. Estimated at 2 hours per week.

- Report to District Board of Directors: MKN will provide periodic reports on the project progress at the District Board Meetings. This proposal assumes semi-annual (every six months) project reports to the Board of Directors during construction phase, and assumes a written report and brief PowerPoint presentation (approximately 15 minutes) will be provided summarizing the project status including major work completed, schedule status, budget status, and any noteworthy occurrences since the last project update.
- Groundbreaking Ceremony: MKN recommends a budget of 30 hours to assist District staff in coordination for a project groundbreaking ceremony, including advertising.
- Additional Construction Phase Support: The level of effort required for construction phase support is difficult to predict for any project, and can vary greatly depending on site conditions, the Contractor, the Construction Management team, and unforeseen circumstances. At this time, we recommend budgeting eight (8) hours per week for the duration of the project construction, estimated at 30 months, for the following tasks:
  - Construction Documents, including Requests for Information (RFIs), construction schedule, monthly progress payments, and change orders: It is assumed the District's Construction Manager will manage the construction documents and lead review of the materials and responses to the Contractor. MKN will review on behalf of the District, assist with responses on an as-needed basis, and notify the District's Administrator when critical decisions are needed and/or of important project impacts.
  - Tracking Permitting and Financing Requirements: MKN will track progress of compliance with the permitting and funding requirements based on review of the permits and funding agreements and coordination with the District's consultants and Contractor.
  - Reporting: MKN will provide a report of time spent and tasks completed to the District Administrator each month.
  - As-Needed Support: MKN may provide as-needed support services related to the project as directed by the District Administrator.

#### **ASSUMPTIONS**

- Design submittals, permits, loan agreements, grant agreements (if applicable), and other relevant project documentation will be provided by the District.
- All permits will be obtained by the District.
- MKN shall be entitled to rely reasonably upon the accuracy of data and information provided by or through the District and will use good professional judgment in reviewing and evaluating such information. If MKN identifies any error or inaccuracy in data or information provided by or through the District, or determines that additional data or information is needed to perform the services, MKN shall promptly notify the District.

#### **SERVICES NOT INCLUDED**

- Construction management, observation, and inspection services
- Survey, permitting, or environmental services
- Loan/grant administration and/or reporting
- Startup, testing, or commissioning of equipment or facilities

- Services beyond those specifically listed in the Scope of Work above

### PROJECT SCHEDULE

The following general project schedule was assumed when preparing this proposal:

Phase	Date	Duration
Design completion	April 2019	2 months
Develop permitting and funding requirements	June 2019	2 months
Bid Phase	June – October 2019	4 months
Construction	November 2019 – March 2022	30 months

### FEE SUMMARY

MKN proposes to complete this work on a time and materials basis, with a first-year budget of \$105,725 and a total project budget of \$356,428 that will not be exceeded without written authorization from the District. An allowance is included for annual labor rate increases of up to 3% per year for 2020 and 2021. Year two budget and scope of work will be submitted for approval by the District Administrator. A detailed breakdown of the estimated fee is provided in the attached spreadsheet.

Thank you for providing MKN with the opportunity to assist the District on this project. If you have any questions regarding this proposed scope amendment, please contact me at [eshields@mknassociates.us](mailto:eshields@mknassociates.us) or by phone at (805) 904-6530.

Sincerely,



Eileen Shields, PE  
Principal



Michael K. Nunley, PE  
CEO/President

### Attachments:

1. Estimated Fee
2. 2019 MKN Fee Schedule

	Operations Manager	Principal Engineer	Assistant Engineer	Administrative Assistant	Total Hours	Total Labor	ODCs	Total Cost
<b>TASK GROUP 100 - REVIEW CURRENT PROJECT DOCUMENTATION</b>								
Task 101. Review Final design submittal	2	24	16	2	44	\$ 7,040	\$ 211	\$ 7,251
Task 102. Review permit and funding requirements	2	16	16		34	\$ 5,440	\$ 163	\$ 5,603
Task 103. Review expenditures and evaluate status of project budget	1	8	32		41	\$ 5,840	\$ 175	\$ 6,015
Task 104. Life Expectancy Analysis	2	12	24	2	40	\$ 5,860	\$ 176	\$ 6,036
<b>Task Group 100 Subtotal</b>	<b>7</b>	<b>60</b>	<b>88</b>	<b>4</b>	<b>159</b>	<b>\$ 24,180</b>	<b>\$ 725</b>	<b>\$ 24,905</b>
<b>TASK GROUP 200 - COMPLETION OF BID DOCUMENTS AND PROCUREMENT SUPPORT</b>								
Task 201. Completion of Bid Documents	2	10	24	4	40	\$ 5,610	\$ 168	\$ 5,778
Task 202. Consultant Coordination		64			64	\$ 11,840	\$ 355	\$ 12,195
Task 203. Reporting		8		4	12	\$ 1,720	\$ 52	\$ 1,772
Task 204. Allowance for As-Needed Assistance		64			64	\$ 11,840	\$ 355	\$ 12,195
Task 205 Construction Bid Assistance								
Task 205A. Informal outreach to contractors	6	6			12	\$ 2,310	\$ 69	\$ 2,379
Task 205B. Coordination with ASAP for Bid Distribution		4	4		8	\$ 1,260	\$ 38	\$ 1,298
Task 205C. Manage RFIs and responses		4	8		12	\$ 1,780	\$ 53	\$ 1,833
Task 205D. Attend pre-bid conference		2			2	\$ 370	\$ 11	\$ 381
Task 205E. Prepare bid tabulation and checklist		2	6		8	\$ 1,150	\$ 35	\$ 1,185
Task 205F. Review bids, tabulate, and provide recommendation		8	16		24	\$ 3,560	\$ 107	\$ 3,667
Task 205G. Review contract documents and prepare Notice to Proceed		4	8		12	\$ 1,780	\$ 53	\$ 1,833
<b>Subtotal Task 205. Construction Bid Assistance</b>	<b>6</b>	<b>30</b>	<b>42</b>	<b>0</b>	<b>78</b>	<b>\$ 12,210</b>	<b>\$ 366</b>	<b>\$ 12,576</b>
Task 206. Procurement of Construction Management Team								
Task 206A. Develop Request for Proposals (RFP) for Construction Management (CM)	1	6	12	2	21	\$ 2,990	\$ 90	\$ 3,080
Task 206B. Coordinate and Attend CM Preproposal Meeting	2	5	4	1	12	\$ 1,905	\$ 57	\$ 1,962
Task 206C. Respond to Requests for Information and issue addenda, as needed		4	7	1	12	\$ 1,710	\$ 51	\$ 1,761
Task 206D. Review CM proposals	2	10			12	\$ 2,250	\$ 68	\$ 2,318
Task 206E. Coordinate District review and interviews	8	8			16	\$ 3,080	\$ 92	\$ 3,172
Task 206F. Negotiate scope and budget with preferred CM Team		8			8	\$ 1,480	\$ 44	\$ 1,524
Task 206G. Prepare staff report and recommendation for District		4			4	\$ 740	\$ 22	\$ 762
Task 206H. Outreach with potential CM proposers	6	6			12	\$ 2,310	\$ 69	\$ 2,379
<b>Subtotal Task 206. Procurement of Construction Management Team</b>	<b>19</b>	<b>51</b>	<b>23</b>	<b>4</b>	<b>97</b>	<b>\$ 16,465</b>	<b>\$ 494</b>	<b>\$ 16,959</b>
Task 207. Procurement of Startup and Commissioning Assistance								
Task 207A. Develop Request for Proposals (RFP) for Startup/Commissioning Assistance	1	6	12	2	21	\$ 2,990	\$ 90	\$ 3,080
Task 207B. Respond to Requests for Information and issue addenda, as needed		4	7	1	12	\$ 1,710	\$ 51	\$ 1,761
Task 207C. Review Startup/Commissioning Assistance proposals	2	10			12	\$ 2,250	\$ 68	\$ 2,318
Task 207D. Coordinate District review and interviews	8	8			16	\$ 3,080	\$ 92	\$ 3,172
Task 207E. Negotiate scope and budget with preferred CM Team		8			8	\$ 1,480	\$ 44	\$ 1,524
Task 207F. Prepare staff report and recommendation for District		4			4	\$ 740	\$ 22	\$ 762
Task 207G. Outreach with potential proposers	6	6			12	\$ 2,310	\$ 69	\$ 2,379
<b>Subtotal Task 207. Procurement of Startup/Commissioning Assistance</b>	<b>17</b>	<b>46</b>	<b>19</b>	<b>3</b>	<b>85</b>	<b>\$ 14,560</b>	<b>\$ 437</b>	<b>\$ 14,997</b>
<b>Task Group 200 Subtotal</b>	<b>44</b>	<b>273</b>	<b>108</b>	<b>15</b>	<b>440</b>	<b>\$ 74,245</b>	<b>\$ 2,227</b>	<b>\$ 76,472</b>
<b>TASK GROUP 300 - CONSTRUCTION PHASE SUPPORT</b>								
Task 301. Pre-Construction Conference		4			4	\$ 740	\$ 22	\$ 762
Task 302. Weekly Progress Meetings		240			240	\$ 44,400	\$ 1,332	\$ 45,732
Task 303. Construction Phase Support		780	260		1040	\$ 178,100	\$ 5,343	\$ 183,443
Task 304. Report to District Board of Directors (every six months)		30	40	10	80	\$ 11,350	\$ 341	\$ 11,691
Task 305. Assist with Groundbreaking Ceremony		6		24	30	\$ 2,550	\$ 77	\$ 2,627
<b>Task Group 300 Subtotal</b>	<b>0</b>	<b>1060</b>	<b>300</b>	<b>34</b>	<b>1394</b>	<b>\$ 237,140</b>	<b>\$ 7,114</b>	<b>\$ 244,254</b>
Allowance for annual labor rate increases								\$ 10,796
<b>TOTAL BUDGET</b>	<b>51</b>	<b>1393</b>	<b>496</b>	<b>53</b>	<b>1993</b>	<b>\$ 335,565</b>	<b>\$ 10,067</b>	<b>\$ 356,428</b>

Billing Rates	\$/hr
Operations Manager	200
Principal Engineer	185
Senior Project Engineer	175
Project Engineer	152
Assistant Engineer	130
Drafter	110
Administrative Assistant	60

**Notes:**

Mileage to be reimbursed at IRS rate

Report or memorandum hard copy costs to be reimbursed at cost + 10% markup

The allowance for annual labor rate increase assumes two rate increases at 3% per year, and Tasks 101 -301 occur in 2019



## FEE SCHEDULE FOR PROFESSIONAL SERVICES

### ENGINEERS AND TECHNICAL SUPPORT STAFF

Project Director/ Operations Manager	\$200/HR
Principal Engineer	\$185/HR
Senior Project Engineer	\$175/HR
Project Engineer/ Senior Scientist	\$152/HR
Water Resources Planner	\$142/HR
GIS Specialist	\$135/HR
Assistant Engineer II	\$130/HR
Assistant Engineer I	\$110/HR
GIS Technician	\$112/HR
Supervising Drafter	\$110/HR
Drafting/Design Technician II	\$97/HR
Drafting/Design Technician I	\$90/HR
Administrative Assistant	\$60/HR

*Routine office expenses such as computer usage, software licenses and fees, telephone charges, office equipment and supplies, incidental postage, copying, and faxes are included as a 3% fee on labor cost.*

### DIRECT PROJECT EXPENSES

Outside Reproduction	Cost + 10%
Subcontracted or Subconsultant Services	Cost + 10%
Travel & Subsistence (other than mileage)	Cost
Auto Mileage	Current IRS Rate - \$.58/mi.



**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](http://www.sslocsd.us)

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**STAFF REPORT**

**Date:** March 06, 2019

**To:** Board of Directors

**From:** Jeremy Ghent, District Administrator

**Via:** Amy Simpson, District Bookkeeper/Secretary

**Subject: CONSIDERATION OF FISCAL YEAR 2018/19 MID-YEAR BUDGET  
ADJUSTMENTS; ADOPT RESOLUTION NO. 2019-403 AUTHORIZING  
BUDGET ADJUSTMENTS**

**RECOMMENDATION:**

It is recommended the Board:

1. Review the recommended budget adjustments;
2. Adopt Resolution No. 2019-403 authorizing budgetary adjustments.

**EXECUTIVE SUMMARY:**

The Mid-Year Budget Review was presented to the Board of Directors at the meeting of February 06, 2019. The Board directed staff to bring back the Mid-Year Budget Review with adjustments as necessary. This staff report provides staffs' recommended adjustments to both revenues and expenditures.

Through the 2<sup>nd</sup> Quarter, the District has received 50% of its budgeted revenue and spent 35% of its budgeted expenditures. Staff has reviewed each account and has prepared Attachment No. 1, at the end of this report providing the recommended adjustments at Mid-Year. Table No. 1 summarizes adjustments to the various anticipated revenues to individual funds.

**Table No. 1 – Revenues**

	FY 2018/19 Budget	Received as of 12.31.18		Recommended Mid-Year Adjustment	Recommended Budget at Mid- Year
		Amount	Percent		
Fund 19	\$5,490,350	\$2,646,464	48%	\$ (129,600.00)	\$5,360,750
Fund 20	\$96,000	\$130,368	136%	\$ 80,000.00	\$176,000
Fund 26		\$0	0%	0	\$0
Total	\$5,586,350	\$2,776,831	50%	\$ (49,600.00)	\$5,536,750

At mid-year total District revenues are 50% collected. Other Service Income, Connection Income and Interest Income are higher than expected while Brine Income is lower than initially projected. To better balance budget vs actual, staff recommends adjusting the revenue accounts as illustrated in Attachment No. 1. Overall, the District anticipates receiving \$49,600 less in revenue for FY 18/19. This mid-year adjustment reduces expenses by \$49,600.

## EXPENDITURE ADJUSTMENTS

Total District expenditures at the end of the second quarter stand at \$2,262,224 or 35% of projected expenditures. A summary of expenditures by fund is detailed in Table No. 2 below.

**Table No. 2 – Fund Expenditures**

	<b>FY 2018/19 Budget</b>	<b>Expended as of 12.31.18</b>		<b>Recommended Mid-Year Adjustment</b>	<b>Recommended Budget at Mid- Year</b>
		Amount	Percent		
Fund 19	\$3,324,120	\$1,212,048	36%	\$ (49,600.00)	\$3,274,520
Fund 20	\$1,188,400	\$825,366	69%	\$ 400,000.00	\$1,588,400
Fund 26	\$1,936,200	\$224,809	12%	\$ (400,000.00)	\$1,536,200
Total	\$6,448,720	\$2,262,224	35%	\$ (49,600.00)	\$6,399,120

Staff recommends increasing the budget of the following accounts at mid-year.

- Account No. 19-6095 Unemployment Reimburse +\$4,000
- Account No. 19-7062 Professional Services – Electrician +\$6,000
- Account No. 19-7070 Professional Services - Outside Counsel +\$5,000
- Account No. 19-7072 Auditing +15,000
- Account No. 19-7092 Utility Gas +13,500
- Account No. 19-8050 Plant Chemicals +\$76,500
- Account No. 20-7080 Redundancy +\$400,000

Total \$520,000

Staff recommends decreasing the budget of the following accounts at mid-year.

- Account No. 19-6030 Plant Operators \$-100,000
- Account No. 19-6085 Temporary Labor Service \$-5,000
- Account No. 19-7077 Engineering \$-25,000
- Account No. 19-8077 Contingency \$-25,000
- Account No. 19-8015 Trunk Sewer Maintenance \$-14,600
- Account No. 26-8065 Structure Grounds Replace/Improve \$-400,000

Total \$-569,600

**DISCUSSION:**

Each line item was reviewed to determine items where revenue/expenditures are projected to exceed the budget line item and where a surplus will exist at the end of the fiscal year. It is recommended that items be adjusted by transferring funds from items that will have funds remaining at the end of the fiscal year to line items which have projected deficits. The recommended adjustments will result in a reduction of \$49,600 in both revenue and expense. Details of the recommended adjustments are shown on Attachment No. 1. The recommended Fiscal Year 18/19 Consolidated Budget is shown on Attachment No. 2.

**OPTIONS:**

1. Adopt Resolution No. 2019-403 adjusting the budget per the staff recommendation. This is the staff recommendation.
2. Modify the recommended line item adjustments, adopt Resolution No. 2019-403 with the noted modifications.
3. Make no adjustments to line items and provide input to staff regarding the upcoming 2019/20 Fiscal Year Budget; or
4. Provide other direction to staff.

**Attachments:**

Attachment 1: Recommended Adjustments

Attachment 2: Recommended Consolidated Budget at Mid-Year



**RESOLUTION NO. 2019-403**

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
BOARD OF DIRECTORS AMENDING  
THE FY 2018/19 BUDGET AT MID-YEAR**

**WHEREAS**, the Board of Directors has previously adopted the FY 2018/19 budget consisting of Operating Fund 19, Expansion Fund 20, and Replacement/Improvements Fund 26; and

**WHEREAS**, District staff has reviewed the account line items under each Fund included in the FY 2018/19 adopted budget; and

**WHEREAS**, District staff has identified the account line items which will require less monies and the account line items which will require additional monies than originally budgeted; and

**WHEREAS**, District staff believes amending these account line items to reflect actuals will more accurately reflect financial conditions of the District.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the South San Luis Obispo County Sanitation District, that the FY 2018/19 budget shall be amended according to Exhibit A attached hereto.

**PASSED AND ADOPTED** at a regular meeting of the South San Luis Obispo County Sanitation District Board of Directors held this 6<sup>th</sup> day of March 2019.

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and by the following roll call vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**RESOLUTION NO. 2019-403**

**CERTIFICATION:**

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held this 6<sup>th</sup> day of March 2019.

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**JEFF LEE**  
**CHAIR, BOARD OF DIRECTORS**  
**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

**ATTEST:**

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**AMY SIMPSON**  
**DISTRICT BOOKKEEPER/SECRETARY**

**APPROVED AS TO FORM:**

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**GILBERT A. TRUJILLO**  
**DISTRICT COUNSEL**

**CONTENTS:**

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**JEREMY GHENT**  
**DISTRICT ADMINISTATOR**

ACCOUNT	CURRENT BUDGET	AMOUNT EXPENDED/RECEIVED AS OF 12.31.18	PERCENT OF EXPENDED AS OF 12.31.18	PROPOSED ADJUSTMENT	ADJUSTED BUDGET
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**REVENUE ACCOUNTS**

19-4040 Other Service Income	\$ 8,000	\$ 21,204	265%	\$ 17,000	\$ 25,000
19-4050 Brine Disposal Income	\$ 300,000	\$ 71,625	24%	\$ (155,000)	\$ 145,000
19-5015 Interest Income	\$ 21,600	\$ 15,707	73%	\$ 8,400	\$ 30,000
20-4010 AG Connection Income	\$ 30,000	\$ 98,973	330%	\$ 80,000	\$ 110,000
<b>Net Budgetary Changes to Revenue</b>				<b>\$ (49,600)</b>	

**OPERATING FUND 19 EXPENSE ACCOUNTS**

19-6030 Plant Operators	\$ 643,008	\$ 231,677	36%	\$ (100,000)	\$ 543,008
19-6085 Temp Labor Service	\$ 15,000	\$ -	0%	\$ (5,000)	\$ 10,000
19-6095 Unemployment Reimburse	\$ 8,000	\$ 6,300	79%	\$ 4,000	\$ 12,000
19-7062 Professional Services - Electrician	\$ -	\$ 2,510	0%	\$ 6,000	\$ 6,000
19-7070 Prof Services - Outside Counsel	\$ 20,000	\$ 14,851	74%	\$ 5,000	\$ 25,000
19-7072 Professional Services - Auditing	\$ 15,000	\$ 14,610	97%	\$ 15,000	\$ 30,000
19-7077 Prof Services - Engineering	\$ 50,000	\$ 3,731	7%	\$ (25,000)	\$ 25,000
19-7092 Utilities Gas	\$ 14,500	\$ 12,884	89%	\$ 13,500	\$ 28,000
19-8015 Trunk Sewer Maintenance	\$ 175,000	\$ -	0%	\$ (14,600)	\$ 160,400
19-8050 Plant Chemicals	\$ 223,500	\$ 154,482	69%	\$ 76,500	\$ 300,000
19-8077 Contingency	\$ 50,000	\$ -	0%	\$ (25,000)	\$ 25,000
19-8079 Transfer to Replacement	\$ 1,936,200	\$ 968,100	50%	\$ (400,000)	\$ 1,536,200
19-8080 Transfer to Expansion	\$ -	\$ -	0%	\$ 400,000	\$ 400,000
20-7080 Redundancy	\$ 1,000,000	\$ 819,440	82%	\$ 400,000	\$ 1,400,000
26-8065 Structures/Grounds Replacement/Improve	\$ 1,936,200	\$ 224,809	12%	\$ (400,000)	\$ 1,536,200
<b>Net Budgetary Changes to Expense</b>				<b>\$ (49,600)</b>	

ACCOUNT	CURRENT BUDGET	AMOUNT EXPENDED/RECEIVED AS OF 12.31.18	PERCENT OF EXPENDED AS OF 12.31.18	PROPOSED ADJUSTMENT	ADJUSTED BUDGET
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**REVENUE ACCOUNTS**

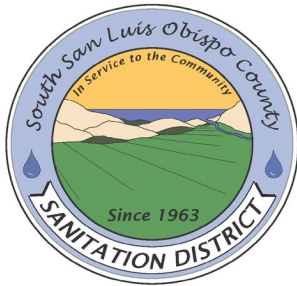
19-4040 Other Service Income	\$ 8,000	\$ 21,204	265%	\$ 17,000	\$ 25,000
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20-4010 AG Connection Income	\$ 30,000	\$ 98,973	330%	\$ 80,000	\$ 110,000
<b>Net Budgetary Changes to Revenue</b>				<b>\$ (49,600)</b>	

**OPERATING FUND 19 EXPENSE ACCOUNTS**

19-6030 Plant Operators	\$ 643,008	\$ 231,677	36%	\$ (100,000)	\$ 543,008
19-6085 Temp Labor Service	\$ 15,000	\$ -	0%	\$ (5,000)	\$ 10,000
19-6095 Unemployment Reimburse	\$ 8,000	\$ 6,300	79%	\$ 4,000	\$ 12,000
19-7062 Professional Services - Electrician	\$ -	\$ 2,510	0%	\$ 6,000	\$ 6,000
19-7070 Prof Services - Outside Counsel	\$ 20,000	\$ 14,851	74%	\$ 5,000	\$ 25,000
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19-8079 Transfer to Replacement	\$ 1,936,200	\$ 968,100	50%	\$ (400,000)	\$ 1,536,200
19-8080 Transfer to Expansion	\$ -	\$ -	0%	\$ 400,000	\$ 400,000
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26-8065 Structures/Grounds Replacement/Improve	\$ 1,936,200	\$ 224,809	12%	\$ (400,000)	\$ 1,536,200
<b>Net Budgetary Changes to Expense</b>				<b>\$ (49,600)</b>	

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT CONSOLIDATED BUDGET FOR FY 2018/19

	Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	FY 2018/19
<b>Revenues</b>				
Gross Revenues				
Service Charges and Fees	5,185,000	-	-	5,185,000
Connection Fees	-	146,000	-	146,000
Interest	30,000	30,000	-	60,000
Other Revenues	145,750	-	-	145,750
<b>Total Revenues</b>	<b>5,360,750</b>	<b>176,000</b>	<b>-</b>	<b>5,536,750</b>
<b>Expenditures &amp; Other Uses</b>				
Operating Expenditures				
Salaries and Wages	758,920			758,920
Employee Benefits and Other Personnel Costs	484,000			484,000
Permits, Fees and Licenses	33,500			33,500
Communications	16,000			16,000
Computer Support	10,000			10,000
Administrative Costs	388,500			388,500
Disposal Services	93,000			93,000
Utilities	234,000			234,000
Maintenance, Tools & Replacements	464,100			464,100
Materials, Services and Supplies	372,500			372,500
Training, Education & Memberships	28,000			28,000
<b>Total Operating Expenditures</b>	<b>2,882,520</b>			<b>2,882,520</b>
<b>Total Other Charges</b>				
Other Charges		113,400		113,400
<b>Total Other Charges</b>	<b>-</b>	<b>113,400</b>	<b>-</b>	<b>113,400</b>
<b>Capital Outlay</b>				
Capital Replacement/Maintenance (Fund 26)			1,536,200	1,536,200
Capital Equipment	367,000	1,475,000		1,842,000
<b>Total Capital Outlay</b>	<b>367,000</b>	<b>1,475,000</b>	<b>1,536,200</b>	<b>3,378,200</b>
<b>Other Financing Sources &amp; Uses</b>				
Transfers Out (In)	1,936,200	(400,000)	(1,536,200)	-
Contingency	25,000			25,000
<b>Total Other Financing Sources &amp; Uses</b>	<b>1,961,200</b>	<b>(400,000)</b>	<b>(1,536,200)</b>	<b>25,000</b>
<b>Beginning Cash Balances Used for Funding</b>				
Beginning Fund Balance Available	-	862,370	-	
<b>TOTAL BEGINNING CASH BALANCE</b>	<b>-</b>	<b>862,370</b>	<b>-</b>	<b>862,370</b>
Total Funding Source	5,360,750	1,038,370	-	6,399,120
Total Expense	5,210,720	1,188,400	-	6,399,120
<b>Net Change (Deficit)</b>			<b>-</b>	<b>-</b>



## **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

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### **STAFF REPORT**

**Date:** March 6, 2019  
**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator; Mychal Jones, Interim Plant Superintendent  
**Subject:** **DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT**

This report represents ongoing information on the latest District staff activities on major capital projects and studies, programmatic initiatives, regional collaboration, miscellaneous activities, and Plant Operations. *Updates since the last report are provided in italics below:*

#### **Capital Projects:**

##### **Redundancy Project:**

The bid-ready documents are scheduled for completion in February 2019, and the 2½ year construction will begin in the fall of 2019. Financial consultant, Bartle Wells Associates, is advising the District regarding rates and financing. *No Update*

#### **Programmatic Initiatives:**

##### **Financial Initiative:**

On January 28<sup>th</sup> and 29<sup>th</sup> the Auditors were on site to collect the District's Financials. The Auditor's currently anticipate Presenting the Audit to the Board at the District's meeting on March 20<sup>th</sup> 2019. *No Update*

##### **Misc.:**

##### **Five Member Board:**

*Attached to this Admin Report is a previous opinion by legal counsel on expanding the number of Board Members. This information was requested during the February 6<sup>th</sup> meeting and is being provided as directed.*

##### **Central Coast Blue:**

The Central Coast Blue Project Team continues Technical efforts to provide supporting information for the Environmental Document. The District is currently conducting various laboratory tests on the plant's treated effluent. This data will be used in the design of the Advanced Treatment Facility. *No Update.*

**Plant Tours:**

1. NONE

**Upcoming Items:**

District Goals and Priorities

Tribute Resolution for Barbara Nicolls District Service (Subject to Change)

Redundancy Project Financial Update

Redundancy Project Construction Management Services Contract

**Attachment:**

April 04, 2018 Staff Report; Subject: Discussion of Expanding the Membership of the District Board of Directors

## Plant Operations Report

During this reporting period (Feb. 14<sup>th</sup> – Feb. 28<sup>th</sup>) the District's facility met its Permit Limitations as required under the State of California's National Pollutant Discharge Elimination System (NPDES) Permit issued to the District.

### Monthly Plant Data as of February 28<sup>th</sup>, 2019

January 2019	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	2.38	3.5	518	15.2		518	18.3		<1.8	94
High	3.3	4.7	694	22.7		694	29.3		9	250
Average	2.83	4.02	544	17.8	96.7	598	23.5	96.1	3.9	171
Feb. 2018 AVG	2.3	3.7	514	21.1	96.8	514	25	95.9	6.02	233
Limit	5.0			40/60/90			40/60/90	>80	2000	

\*Limit – 40/60/90 represent NPDES Permit limits for the monthly average, weekly average, and instantaneous maximum value for plant effluent Biochemical Oxygen Demand and Total Suspended Solids.

### Fecal Coliform Numbers for February 2019

2/1/2019	=	2	MPN/100 mL
2/4/2019	=	2	MPN/100 mL
2/5/2019	<	1.8	MPN/100 mL
2/6/2019	<	1.8	MPN/100 mL
2/7/2019	=	2	MPN/100 mL
2/8/2019	=	13	MPN/100 mL
2/11/2019	=	1.8	MPN/100 mL
2/12/2019	<	1.8	MPN/100 mL
2/13/2019	=	4.5	MPN/100 mL
2/14/2019	<	1.8	MPN/100 mL
2/15/2019	<	1.8	MPN/100 mL
2/18/2019	<	1.8	MPN/100 mL
2/19/2019	=	2	MPN/100 mL
2/20/2019	=	4.5	MPN/100 mL
2/21/2019	<	1.8	MPN/100 mL
2/22/2019	=	7.8	MPN/100 mL
2/25/2019	=	9.3	MPN/100 mL
2/26/2019	=	7.8	MPN/100 mL
2/27/2019	=	6.1	MPN/100 mL
2/28/2019	<	1.8	MPN/100 mL

\*Limit – 200/2000 represent NPDES Permit limits for the running weekly median and instantaneous maximum for fecal coliform bacteria.

## San Luis Obispo County Environmental Health Services Plant Inspection



- Environmental Health Services performed their annual inspection of the treatment plant and there were no violations to report nor observed during their inspection.

#### **Operation and Maintenance Projects**

- Cleaned maintenance building and shop
- Hung up pipe and flange gaskets
- Changed back-up chlorine probe membrane cap, gel, and recalibrated system
- Checked and marked Underground Service Alerts
- Replaced bolts on centrifuge auger
- Began reviewing and updating operation and maintenance standard operating procedures
- Flushed fixed film reactor
- Drained and rinsed chlorine contact chamber
- Unplugged secondary clarifier sludge return line
- Spiess Construction
  - Repaired plant reclaim water leak at Grit King and installed new isolation valve
  - Repaired plant reclaim water leak at sludge bed and installed new isolation valve
- Continued optimization of disinfection system control settings

#### **Work Orders Completed**

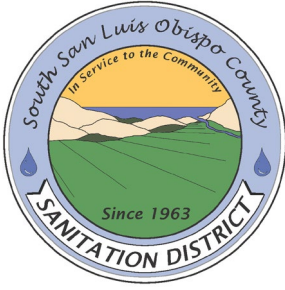
- Performed maintenance on emergency generator and emergency bypass pump
- Inspected digester gas safety equipment
- Rinsed all clarifiers
- Flushed sodium bisulfite header

#### **Training**

- Operations and Laboratory staff participated in a Target Safety Solutions assignment for Back Injury Prevention

#### **Call Outs**

- February 2<sup>nd</sup>, 6:20 PM – Power Outage. Operator Romhild responded and inspected all plant processes. Plant operated on emergency power for 3 hours. Once power was restored and plant was operating on PG & E power, Operator Romhild inspected all plant process to ensure proper operation.



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### **STAFF REPORT**

**Date:** April 4, 2018

**To:** Board of Directors

**From:** Richard Sweet and Paul J. Karp, Technical Consultants  
Gilbert A. Trujillo, General Counsel

**Subject:** **DISCUSSION OF EXPANDING THE MEMBERSHIP OF THE DISTRICT  
BOARD OF DIRECTORS**

#### **RECOMMENDATION:**

Staff recommends that the Board of Directors receive the following information. No action is required at this time.

#### **BACKGROUND:**

Since 2013, there has been a discussion of expanding the membership of the Board of Directors to five (5) members. This staff report is intended for discussion purposes only. District staff have not been authorized to research this issue and provide a legal opinion on the process to expand the Board from three (3) members to five (5) members. It appears legislative action will be required to expand the Board.

#### **DISCUSSION:**

The Sanitation District is formed under Health and Safety Code §4700 et seq. Health and Safety Code §4730 provides that the governing body of the Sanitation District is a Board of Directors of not less than three (3) members. Health and Safety Code §4730.1 discusses the composition or make up of the governing body. Health and Safety Code §4730.10 is drafted specifically for the South San Luis Obispo County Sanitation District (SSLOCSD) and provides that the Governing Body of the SSLOCSD shall be constituted as set forth in this article except that a member of the County Board of Supervisors may not serve as a member of the Governing Body unless in the absence of that Supervisor there would otherwise be an even number of members.

In order to expand the District to five (5) members, special legislation would be needed to repeal the above sections and replace them with new legislation authorizing the Board to expand to five (5) members. It would also be necessary to determine whether the two (2) members of the Board of Supervisors that have territory within the District would be willing to serve and support special legislation. In the alternative, the District may seek special legislation to hold an election to elect (2) At-Large Members to the Board. This would require further analysis of how the election of at-large members may or may not dilute the vote of the existing member agencies.

**FISCAL CONSIDERATIONS:**

None.

**ALTERNATIVES:**

1. The Board may direct staff to further research expansion of the Board of Directors and provide a legal memorandum to the Board; or
2. The Board may provide other direction to staff.