



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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

**AGENDA
BOARD OF DIRECTORS MEETING
Grover Beach City Hall Council Chambers
154 S. Eighth Street,
Grover Beach, CA 93433
Wednesday, December 4, 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

-
- 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 November 6, 2019

6. ACTION ITEMS:

6A. REDUNDANCY PROJECT NEPA ENVIRONMENTAL UPDATE

Recommendation: That the Board receive the update.

6B. CONSIDERATION OF CONFLICT WAIVER FOR THE LAW FIRM OF CARMEL AND NACCASHA

Recommendation: It is recommended that the District consider and waive, if it deems appropriate, any conflict of interest that may exist from the law firm of Carmel and Naccasha representing the City of Arroyo Grande as City Attorney and utilizing the services of Mr. Gilbert A. Trujillo to assist the City Attorney.

6C. CONSIDERATION OF FISCAL YEAR 2019/20 FIRST QUARTER (Q1) BUDGET ADJUSTMENTS; ADOPT RESOLUTION NO. 2019-412 AUTHORIZING BUDGET ADJUSTMENTS

Recommendation: It is recommended the Board:

1. Review the recommended budget adjustments;
2. Adopt Resolution No. 2019-412 authorizing budgetary adjustments.

6D. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Recommendation: Receive and File.

7. MISCELLANEOUS ITEMS:

8. **BOARD MEMBER COMMUNICATIONS:**

9. **ADJOURNMENT**

**The next regularly scheduled Board Meeting is January 15, 2020, 6:00 pm at the
Grover Beach City Hall Council Chambers
154 S. Eight Street, Grover Beach, California 93433**

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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
12/4/2019

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO	ACCT	ACCT BRKDN	TOTAL
ALL STAR INDUSTRIAL	SAFETY SUPPLIES	2453	110419-4089	8056	211.28	211.28
ALLIED ADMINISTRATORS	DENTAL	DECEMBER	4090	6025	909.41	909.41
AMY SIMPSON	TRAINING/CONFERENCE	CSDA/ PERS	4091	7067	558.84	558.84
APPLIED INDUSTRIAL	EQUIPMENT MAINTENANCE	7017500291	4092	8030	177.38	177.38
ARAMARK	UNIFORMS	10/25; 11/01	4093	7025	475.68	475.68
CAREN RAY RUSSOM	BOARD SERVICE	OCTOBER	4094	7075	100.00	100.00
CARQUEST	AUTOMOTIVE	7314-1114424	4095	8032	723.96	723.96
CARRIE TROUP, CPA	FISCAL SERVICES	JULY THRU SEPTEMBER	4096	7083	3,462.00	3,462.00
DE JESUS GARDENING	STRUCTURE MAINTENANCE	OCTOBER	4097	8060	450.00	450.00
ERIKA FROST	MEDICAL REIMBURSEMENT	FY 19/20	4098	6075	109.20	109.20
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	NOVEMBER	4099	7082	100.00	100.00
FARM SUPPLY	EQUIPMENT MAINTENANCE	69350; 69753	4100	8030	401.80	401.80
FED EX	OFFICE SUPPLIES	6-779-48298	4101	8045	19.07	19.07
GILBERT TRUJILLO	LEGAL	SEPTEMBER	4102	7071	888.00	888.00
GRAINGER	ADMIN BUILDING SUPPLIES	9324111534	4103	8035	37.96	130.18
	SAFETY SUPPLIES	9326114783		8056	92.22	
HD SUPPLY	SMALL TOOLS	10011444163	4104	8055	40.43	40.43
HELPING HAND HEALTH ED	TRAINING	CPR/AED CLASS	4105	7067	520.00	520.00
I.I. SUPPLY	EQUIPMENT MAINTENANCE	64959	4106	8030	139.40	139.40
JAN PRO	STRUCTURE MAINTENANCE	NOVEMBER	4107	8060	260.00	260.00
JB DEWAR	FUEL	82774; 920828	4108	8020	1,502.30	1,502.30
JEFF LEE	BOARD SERVICE	OCTOBER	4109	7075	100.00	100.00
KEMIRA	PLANT CHEMICALS	9017652166	4110	8050	8,573.24	8,573.24
LARA HR SERVICES	HUMAN RESOURCES	JULY THRU SEPTEMBER	4111	7076	2,440.00	2,440.00
LINDA AUSTIN	BOARD SERVICE	OCTOBER	4112	7075	100.00	100.00
MCMASTER CARR	FUEL	19178445	4113	8020	120.22	120.22
MICHAEL K. NUNLEY & ASSOC.	REDUNDANCY ADMIN	6265	4114	20-7080	7,583.34	10,690.06
	PRETREATMENT PROGRAM	6266		8015	975.91	
	REDUNDANCY PROJ. PREQUAL	6268		20-7080	2,130.81	
MINERS	EQUIPMENT MAINTENANCE	OCTOBER	4115	8030	756.09	756.09
PRAXAIR	EQUIPMENT RENTAL	09/20/19-10/20/19	4116	7032	32.50	32.50
READY REFRESH	ADMIN BUILDING SUPPLIES	AUGUST THRU OCTOBER	4117	8035	394.36	394.36
SANTA MARIA FAMCON PIPE	EQUIPMENT MAINTENANCE	S100013821.001	4118	8030	1,874.73	1,874.73
SO CAL GAS	UTILITY GAS	09/30/19-10/29/19	4119	7092	2,264.41	2,264.41
SO CO SANITARY	RUBBISH	NOVEMBER	4120	7093	405.19	405.19
STANLEY	ALARMS	DECEMBER	4121	7011	71.28	71.28
STATE FUND INSURANCE	WORK COMP	NOVEMBER	4122	6080	1,706.33	1,706.33
U.S. POSTAL SERVICE	OFFICE SUPPLIES	ANNUAL PAYMENT	4123	8045	234.00	234.00
USA BLUEBOOK	EQUIPMENT MAINTENANCE	042484; 038490	4124	8030	329.76	329.76
VWR	LABORATORY SUPPLIES	2019-154	4125	8040	287.69	287.69
WASTEWATER SOLIDS MANAGE	DIGESTER CLEANING	RETENTION PAYMENT	4126	26-8065	12,184.50	12,184.50
SUB TOTAL					\$ 53,743.29	\$ 53,743.29
SSLOCS	OCTOBER TRANSFER	PAYROLL	4127		87,820.24	120,887.67
		RETIREMENT		6060	16,182.36	
		MEDICAL		6010	16,885.07	
SUB TOTAL					120,887.67	120,887.67
GRAND TOTAL					\$ 174,630.96	\$ 174,630.96

Warrant Register continues on next page.

AGP VIDEO	AGP VIDEO	OCTOBER 2, 2019	111819-4128	7080	700.00	\$ 700.00
AMIAD WATER SYSTEMS	EQUIPMENT MAINTENANCE	7300074040	4129	8030	885.57	\$ 885.57
AMY SIMPSON	MEDICAL REIMBURSEMENT	FY 19/20	4130	6075	165.00	\$ 165.00
ARAMARK	EMPLOYEE UNIFORMS	11/08/19; 11/15/19	4131	7025	545.16	\$ 545.16
BARTLE WELLS ASSOCIATES	REDUNDANCY	FINANCIAL ADVISORY SERVICES	4132	20-7080	5,916.00	\$ 5,916.00
BRENNTAG	PLANT CHEMICALS	BPI1997276	4133	8050	6,411.99	\$ 6,411.99
CANNON	STRUCTURE MAINTENANCE	PRIMARY CLARIFIER & CB VALVE	4134	26-8065	3,878.00	\$ 3,878.00
CHARTER COMMUNICATIONS	INTERNET AND PHONES	10/29/19-11/28/19	4135	7013	309.95	\$ 309.95
COASTAL ROLL OFF SERVICE	GARBAGE	OCTOBER	4136	7093	730.06	\$ 730.06
COUNTY SLO ENVIRO HEALTH	PERMITS/FEES/LICENSE	ANNUAL EH PERMIT	4137	7068	992.00	\$ 992.00
CULLIGAN/CCWT	EQUIPMENT RENTAL	NOVEMBER	4138	7032	60.00	\$ 60.00
ENGEL & GRAY, INC.	SOLIDS HANDLING	OCTOBER	4139	7085	4,877.12	\$ 4,877.12
ENVIRONMENTAL ANALYTICAL	EQUIPMENT MAINTENANCE	BOILER	4140	8030	445.00	\$ 445.00
GILBERT TRUJILLO, ESQ.	LEGAL COUNSEL	OCTOBER	4141	7071	1,628.00	\$ 1,628.00
HAULAWAY	EQUIPMENT RENTAL	OCTOBER	4142	7032	93.80	\$ 93.80
I.I. SUPPLY	SAFETY	65300	4143	8056	110.32	\$ 110.32
IMG MEDICAL GROUP	SAFETY	HEP B	4144	8056	255.00	\$ 255.00
JONES AND MAYER	LEGAL COUNSEL	OCTOBER	4145	7071	1,239.50	\$ 1,239.50
MOSS, LEVY & HARTZHEIM, LLP	AUDITING	2,019.00	4146	7072	4,970.00	\$ 4,970.00
MR. BACKFLOW	EQUIPMENT MAINTENANCE	11,197.00	4147	8030	120.00	\$ 120.00
OILFIELD ENVIRONMENTAL SUPPLY	CHEMICAL ANALYSIS	EFFLUENT WATER	4148	7078	85.00	\$ 85.00
PG&E	ELECTRICITY	10/10/19-11/07/19	4149	7091	16,294.62	\$ 16,294.62
PRAXAIR	SMALL TOOLS	92,693,113.00	4150	8055	102.68	\$ 102.68
RINCON CONSULTANTS	REDUNDANCY	CEQA PLUS & USDA FUNDING SUPPORT	4151	20-7080	6,709.63	\$ 6,709.63
SPRINT	CELL PHONES	10/04/19-11/03/19	4152	7014	94.84	\$ 94.84
SWRCB	PERMITS/FEES/LICENSE	NPDES; WDR	4153	7068	30,205.00	\$ 30,205.00
TENERA ENVIRONMENTAL	OCEAN OUTFALL	E20006	4154	7060	638.50	\$ 638.50
TOTAL COMPENSATION SYSTEMS	AUDITING	GASB 75	4155	7072	1,485.00	\$ 1,485.00
THE TRIBUNE	ADVERTISING	REDUNDANCY	4156	7005	1,052.25	\$ 1,052.25
UMPQUA BANK	MEMBERSHIPS		4157	7050	361.00	\$ 2,894.72
	PERMITS/FEES/LICENSE			7068	106.66	
	TRAINING			7067	747.84	
	OFFICE SUPPLIES			8045	313.77	
	COMPUTER SUPPORT			7082	908.40	
	AUTOMOTIVE MAINTENANCE			8032	327.75	
	LAB SUPPLIES			8040	129.30	
SUB TOTAL					\$ 93,894.71	\$ 93,894.71
GRAND TOTAL					\$ 268,525.67	\$ 268,525.67

We hereby certify that the demands numbered serially from 110419-4089 to 111819-4157 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, November 6, 2019

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
Gil Trujillo, District Legal Counsel
Amy Simpson, District Bookkeeper/Secretary
Mychal Jones, Plant Superintendent

2. PLEDGE OF ALLEGIANCE

Operator William Romhild led the Pledge of Allegiance.

3. AGENDA REVIEW

Approved as published.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

There was no public comment.

5. CONSENT AGENDA:

- 5A. Approval of Warrants**
- 5B. Approval of Meeting Minutes of October 2, 2019**
- 5C. Approval of Special Meeting Minutes of October 2, 2019**
- 5D. Approval to Purchase Replacement Equipment from Ovivo for the Primary No. 1 Clarifier Rehabilitation and Control Box Valve Replacement Project**
- 5E. Reschedule January's Board of Directors Meeting to January 15, 2020**

There was no public comment.

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

Second: Director Ray Russom
Action: Approved unanimously by voice vote.

6. ACTION ITEMS:

6A. CONSIDERATION OF ADOPTING A RESOLUTION GRANTING COST OF LIVING ADJUSTMENTS AND MODIFICATIONS TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT AND SERVICE EMPLOYEES' INTERNATIONAL UNION LOCAL 620; AND ADOPTING A DISTRICT SALARY SCHEDULE

Administrator Ghent presented this item. He provided the highlights of the Memorandum of Understanding between the SSLOCSD and the Employees' International Union Local 620.

The Board had no questions.

There was no public comment.

Motion: Director Ray Russom motioned to adopt Resolution No. 2019-411 which:

1. Grants Cost of Living Adjustments and Modifications to Benefits for the Memorandum of Understanding between the South San Luis Obispo County Sanitation District and the Service Employees' International Union Local 620, Exhibit "A"; and
2. Adopts a District Salary Schedule, as required by California Public Employees Retirement System (CalPERS), Exhibit "B".

Second: Director Austin

Action Approved unanimously by roll call vote.

6B. RESOLUTION AMENDING THE ADOPTED POLICIES AND PROCEDURES FOR THE EXPENDITURE OF DISTRICT FUNDS FOR SUPPLIES, EQUIPMENT, CONSTRUCTION, AND SERVICES AS SET FORTH IN RESOLUTION NO. 2010-274 AND AMENDED IN RESOLUTION NO. 2014-314 AND NO. 2016-353

Administrator Ghent presented this item and highlighted the changes of the new policy.

The Board had no questions.

There was no public comment.

Motion: Director Austin motioned to Adopt Resolution No. 2019-410, a Resolution amending the adopted policies and procedures for the expenditure of District funds for supplies, equipment, construction, and services as set forth in Resolution No. 2010-274 and amended in Resolution No. 2014-314 and No. 2016-353.

Second: Director Ray Russom

Action: Approved unanimously by roll call vote.

6C. UPDATE ON PROJECT SCHEDULE FOR WASTEWATER TREATMENT PLANT REDUNDANCY PROJECT

Administrator Ghent presented this report. He said the main project components that are driving the schedule include permitting, procurement of construction management team, USDA loan application and financing, the Community Workforce Agreement, and bidding and construction. He gave a brief status update on each component. The Board had a brief discussion regarding the loan application; cost of prequalification and the increase to total cost of the project and use of contingency. Eileen Shields from MKN was present to respond to Board questions.

Julie Tacker provided public comment regarding the Redundancy Project and the Fixed Film Reactor.

Administrator Ghent provided a response to all comments.

The Board received and filed this report.

6D. AWARD FOR WWTP REDUNDANCY PROJECT CONSTRUCTION MANAGEMENT SERVICES CONTRACT WITH MNS ENGINEERS, INC

Administrator Ghent presented this item. He said MKN & Associates performed extensive outreach to solicit well-qualified firms to lead oversight of the construction activities on behalf of the District to help ensure the Project is completed successfully with the District's best interest in mind. Based on the evaluation criteria of the SOQ, experience of Project Manager and key team members on similar projects, firms history of construction management and proposed project approach, identification of key project challenges, approach to reduce overall risk, and collaboration with the District's team, the Committee members unanimously recommended MNS Engineers, Inc to provide construction management services for the District's project. The Board had a brief discussion.

There was no public comment.

Motion: Director Ray Russom motioned to authorize the District Administrator to execute a contract for Construction Management Services for the Wastewater Treatment Plant Redundancy Project with MNS Engineers, Inc. in the amount of \$2,616,044.

Second: Director Austin

Action: Approved by roll call vote.

6E. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Administrator Ghent presented this item. He provided updates on various items related to District business.

Superintendent Jones presented the Plant Operations report and said the District met NPDES permit requirements. He reported on maintenance projects, work orders and training. He reported a violation from 2017 that had a \$6,000 penalty and said the District is accepting the offer.

Julie Tacker provided public comment.

Superintendent Jones and Administrator Ghent responded to Ms. Tackers comments.

The Board received and filed this report.

7. MISCELLANEOUS ITEMS:

There were none.

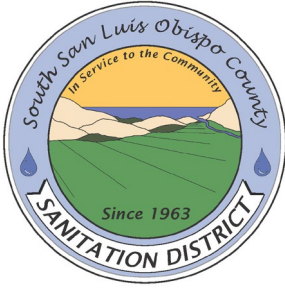
8. BOARD MEMBER COMMUNICATIONS

The Board wished everyone a Happy Thanksgiving. Chair Lee announced that Grover Beach has moved forward with a Water Masterplan and Sewer Masterplan and said he may have alternate attend the December meeting.

10. ADJOURNMENT

7:25 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

To: Board of Directors

From: Jeremy Ghent, District Administrator

Date: December 4, 2019

Subject: **REDUNDANCY PROJECT NEPA ENVIRONMENTAL UPDATE**

RECOMMENDATION:

That the Board receive the update.

BACKGROUND:

The District is actively pursuing USDA Low Interest Financing for a portion of the Redundancy Project. As part of the environmental review the USDA initiated an "informal consultation" with the US Fish and Wildlife Service (USFW) in order to review the project's compliance with the Endangered Species Act. The USFW's concurrence with the project's Biological Evaluation is necessary to qualify for any federal funds.

DISCUSSION:

USFW agreed with the opinions and determinations as made in the District's Biological Evaluation with one exception, the federally listed California Red Legged Frog. The District arranged a conference call to discuss a differing opinion from the USFW Biologist and Rincon Consultants (District Biologist). Rincon made the environmental determination that our project is "not likely to adversely affect" the frog. This was a reasonable determination based on, no frogs being found during surveys, no habitat on site, current operating facility, etc. The USFW Biologist is concerned about known frog populations in Meadow Lagoon and Arroyo Grande Creek. Both locations are adjacent to the Plant site. The Project has work occurring throughout wet weather, which is when male frogs are likely to travel long distances to mate. Without restricting work for the entire wet weather season, USFW could not agree with Rincon's determination. USFW also referenced a recent similar determination on the Morro Bay Wastewater Project and wants to remain consistent with their agency's determinations throughout the region. USFW only supports a "may adversely affect" determination.

The altered determination matters because the latter is considered a “take” of the endangered species. In order to obtain a “take” permit the Project must pursue Formal Consultation with USFW vs Informal Consultation. Informal Consultation required 30 days and Formal Consultation Requires 135 days to complete. This change in determination impacts the bid date by approximately 76 calendar days as we obtain a “take” permit in case a frog enters the site during the project.

Without USFW concurrence the District will not be approved for USDA funding. If the District were to abandon USDA Funding we could advance the project with District reserves and bond funding. However, the risk would be that if we encounter a frog without a take permit during construction all work would stop until the frog left on its own. The Project would have no permit provisions to allow relocation of the frog. An unpermitted take of an endangered species can result in penalties or criminal charges. Any work stoppage during construction could generate substantial construction delays and claims if it occurred while the contractor was working.

Currently, Staff and the Project Team recommends continued pursuit of USDA funding and complying with all Federal environmental requirements.

OPTIONS:

1. Receive the Update.
2. Provide direction to staff.



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SANITATION DISTRICT**

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STAFF REPORT

To: Board of Directors
From: Gilbert A. Trujillo, General Counsel
Date: December 4, 2019
Subject: **CONSIDERATION OF CONFLICT WAIVER FOR THE LAW FIRM OF CARMEL AND NACCASHA**

RECOMMENDATION:

It is recommended that the District consider and waive, if it deems appropriate, any conflict of interest that may exist from the law firm of Carmel and Naccasha representing the City of Arroyo Grande as City Attorney and utilizing the services of Mr. Gilbert A. Trujillo to assist the City Attorney.

BACKGROUND:

Carmel and Naccasha ("C&N") is a full-service local law firm that has provided contract City Attorney services to the City of Arroyo Grande (the "City") since 2004. Mr. Gil Trujillo was appointed as General Counsel to the South San Luis Obispo County Sanitation District (the "District") in November 2015 and continues to provide legal services to the District through his private law practice. Mr. Trujillo joined C&N as Of Counsel after recently retiring from the City of Santa Maria as City Attorney and continues to maintain his private law practice. An attorney who is "of counsel" to a law firm is not an employee of the firm, but has a close, continuous and regular relationship with it. An of counsel attorney can still maintain separate sources of work, but is subject to conflict of interest issues.

Mr. Trujillo has been asked by C&N to assist in providing legal services to the City on a limited basis through the firm. Mr. Trujillo is willing to assist, but is prevented from doing so by conflict of interest rules unless a waiver is obtained. In order to accomplish this, both the City and the District must agree to waive any conflict of interest that exists.

DISCUSSION:

C&N provides general City Attorney services to the City and has now asked Mr. Trujillo to assist with that task on a limited, as-needed basis.

C&N's utilization of Mr. Trujillo to assist in providing legal services to the City, while Mr. Trujillo provides General Counsel services to the District, may create both actual and

potential conflicts of interest. Rules 1.7 and 1.9 of the Rules of the Professional Conduct of the State Bar of California generally require lawyers to protect the confidences of former and current clients, and permit those clients to give informed written consent to representation in conflict of interest situations. Informed written consent under these Rules requires written disclosure to the clients of the relevant circumstances, and the material risks including the actual and reasonably foreseeable adverse consequences to the client arising by reason of the actual or potential conflict of interest. Informed written consent also means that the consent required must be in writing. If desired, I can provide you with the text of the rules.

This paragraph briefly describes some of the actual and reasonably foreseeable consequences of C&N representing the City while Mr. Trujillo provides General Counsel services to the District. The negotiation of the Memorandum of Understanding (and any subsequent binding contract) for the Central Coast Blue project presents an actual and reasonably foreseeable conflict given the differing interests of the City as a water purveyor and the District as a sanitation provider. While unlikely given the general legal services provided to two related public entities, it is possible that C&N and Mr. Trujillo may have acquired, or may in the future acquire, confidential information in their respective representations of the City or the District which might ethically require disclosure to one or more parties, but also require privileged nondisclosure and confidentiality duties to one or more of the other parties. Arguably, each party's prior and continuing representations of their clients could result in reluctance to zealously represent the interests of the City or District. We are confident that all parties are able to, and will, effectively represent the interests of the City and District, as applicable, notwithstanding these circumstances.

We are not aware of any other existing conflicts or controversies between the City and the District. If both parties agree to waive the existing conflict of interest, then C&N would continue to provide City Attorney services to the City and Mr. Trujillo would continue to provide General Counsel services to the District through his private law practice. It is hard to predict what future controversies could arise between the City and District. Litigation between the parties is highly unlikely but always a possibility. If such a situation was to arise, the parties would need to retain separate legal counsel. If the District grants the waiver, it will continue to receive General Counsel legal services by Mr. Trujillo through his private law practice without any noticeable changes whatsoever.

Lastly, personnel associated with the same law firm representing two closely related public entities may appear to the public to be inappropriate and controversial. The public's perception is a significant concern, which should be addressed by both public entities to ensure that concerns and questions are fully answered and public trust is maintained. If a fully informed conflict waiver is granted, the representation is legally appropriate.

Alternatives:

The District may decline to waive any potential conflict of interest, in which case C&N will continue to represent the City without the assistance of Mr. Trujillo, and Mr. Trujillo will continue to represent the District through his private law practice.

Attachment:

Conflict Waiver for the law firm of Carmel & Naccasha

South SLO County Sanitation District
City of Arroyo Grande
November 21, 2019
Page 1

VIA E-MAIL

South SLO County Sanitation District
1600 Aloha Place
Oceano, CA 93445
Attn: Jeremy Ghent
District Administrator
Jeremy@sslocsd.us

City of Arroyo Grande
300 E. Branch St.
Arroyo Grande CA 93420
Attn: James Bergman
City Manager
JBergman@arroyogrande.org

Re: Conflict Waiver for Representation of South San Luis Obispo County Sanitation District (together with their respective partners, affiliates, successors and assigns ("SCSD"), in connection with its negotiation with the City of Arroyo Grande ("AG") of a Memorandum of Understanding ("MOU") with a group named Central Coast Blue ("CCB").

Gentlemen:

I personally represent the South San Luis Obispo County Sanitation District ("SCSD") in connection with their municipal legal work. The firm of CARMEL & NACCASHA, LLP (the "Firm"), whom I recently joined as Of Counsel, represents the City of Arroyo Grande ("AG") in connection with their municipal legal work. An attorney who is "of counsel" to a law firm is not an employee of the firm, but has a close, continuous and regular relationship with it. An of counsel attorney can still maintain separate sources of work, but is subject to conflict of interest issues. The Firm has represented AG in a wide variety of legal matters since 2004. SCSD has now asked that I continue to represent their interests in connection with their municipal legal work. I have also been asked to represent SCSD in connection with the negotiation of a Memorandum of Understanding ("MOU") with CCB ("the CCB matter"), and I understand that AG has asked the Firm to represent AG in connection with the CCB matter.

My representation of SCSD, while the Firm represents AG, in connection with the CCB matter may create both potential and actual conflicts of interest. Rules 1.7 and 1.9 of the Rules of the Professional Conduct of the State Bar of California generally permit clients to give informed written consent to representation in conflict of interest situations. Informed written consent under these Rules requires written disclosure to the clients of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences to the client arising by reason of the actual or potential conflict of interest. If desired, I can provide you with the text of the rules.

This paragraph briefly describes some of the actual and reasonably foreseeable consequences of my representing SCSD whether in connection with the CCB matter, or otherwise, while the Firm is representing AG. While unlikely, in connection with the CCB matter, it is

possible that the Firm or I may have acquired, or may in the future acquire, confidential information in the representation of our respective clients which might ethically require disclosure to one or more parties, but also require privileged nondisclosure and confidentiality duties to one or more of the other parties. I am confident that I and the Firm are able to, and will, effectively represent AG and SCSD, as applicable, notwithstanding these circumstances.

The following sets forth our understanding of the parameters under which I will represent SCSD generally, and in connection with the CCB matter, while the Firm represents AG generally, and in connection with the CCB matter:

1. I will represent only the interests of SCSD individually, and not through the Firm in connection with the CCB matter, and AG will be represented by the Firm with respect to the CCB matter.

2. The Firm will not be prevented from representing AG in any present or future matters by virtue of my representation of SCSD in connection with the CCB matter. Likewise, I will not be prevented from representing SCSD in connection with the CCB matter or any present or future SCSC matters.

3. As the attorney representing SCSD in connection with the CCB matter, I will not represent AG in connection with the CCB matter, and none of the Firm's attorneys representing AG in connection with the CCB matter will represent SCSD in connection with the CCB matter.

4. Should any litigation arise between SCSD and AG with regard to the CCB matter, the Firm and I would not represent any party in such dispute, and may withdraw from representation of any party to the extent necessary to fulfill our ethical obligations in connection with that litigation. The foregoing shall not preclude me or the Firm from advising SCSD or AG that independent legal representation should be sought with respect to the dispute in general, or any particular aspect of the contractual arrangements between the parties.

5. All correspondence and legal work product in connection with the CCB matter will be treated as privileged and confidential to SCSD. AG will not be provided with copies of such correspondence or legal work product nor with any disclosure of such confidential information except as directed or consented to by SCSD, in writing, or required by final court order after expiration of any applicable appeals.

6. All correspondence and legal work product in connection with any matters unrelated to the CCB matter and performed for AG will be treated as privileged and confidential to AG. SCSD will not be provided with copies of such correspondence or legal work product nor with any disclosure of such confidential information except as directed or consented to by AG, in writing, or required by final court order after expiration of any applicable appeals.

South SLO County Sanitation District
City of Arroyo Grande
November 21, 2019
Page 3

I urge that you review this letter with other legal counsel. Attached to this letter is a separate consent and waiver of conflicts of interest for both SCSD and AG. If the foregoing letter accurately reflects your understanding of the representation by me of SCSD, and by Carmel & Naccasha, LLP of AG in connection with the CCB matter, please execute the applicable consent and waiver on the enclosed copy of this letter, and return it via electronic mail counterpart.

As the South San Luis Obispo County Sanitation District is a public body, signing of this consent and conflict waiver on behalf of the South San Luis Obispo County Sanitation District shall constitute a representation that the person signing is authorized by the public body to provide the consent and conflict waiver.

If you have any questions concerning this letter or the consent and waiver, please discuss them with your independent counsel and/or with me, prior to signing and returning this letter.

Sincerely,

Gilbert A. Trujillo

Attachments

**THE CITY OF ARROYO GRANDE'S CONSENT AND
WAIVER OF CONFLICT OF INTEREST**

CARMEL & NACCASHA, LLP, has explained to the City of Arroyo Grande (together with their affiliates, "AG") that there exist present and potential conflicting interests in the above-described matters and has informed AG of the possible consequences of these conflicts. AG acknowledges the disclosure of Attorney Gilbert A. Trujillo's proposed representation of South San Luis Obispo County Sanitation District (together with their respective partners, affiliates, successors and assigns, "SCSD") generally and in connection with the Central Coast Blue ("CCB") matter (as defined in the foregoing letter), while CARMEL & NACCASHA, LLP represents AG (as defined in the foregoing letter) on all matters generally, and in connection with the CCB matter and the conflicts arising therefrom. AG understands that Attorney Gilbert A. Trujillo is Of Counsel with the firm CARMEL & NACCASHA, LLP, that there presently exist, and may exist in the future, circumstances under which the interests of AG on the one hand, and SCSD on the other hand, are and will be adverse to the other. In that regard, CARMEL & NACCASHA, LLP, has apprised AG of the provisions of Rules 1.7 and 1.9 of the Rules of Professional Conduct of the State Bar of California and of the conflict it will have through its representation of AG as described hereinabove. AG understands that it has the right to seek independent counsel before signing this Consent and Waiver and at any future time. AG consents and gives approval to Attorney Trujillo's representation of SCSD generally and in connection with the CCB matter, and gives its informed written consent to the conflicts of interest arising therefrom. AG, for itself and its affiliates, further agrees to the parameters of such representation of AG and SCSD as set forth in this letter above. This consent and waiver of conflict of interest may be executed in counterparts.

Because the City of Arroyo Grande is a public body, signing of this consent and conflict waiver on behalf of the City of Arroyo Grande shall constitute a representation that the person signing is authorized by the public body to provide the consent and conflict waiver.

The City of Arroyo Grande,
a public body, corporate and politic

By: _____

Name: _____

Title: _____

Dated: _____

**SOUTH SLO COUNTY SANITATION DISTRICT'S CONSENT AND
WAIVER OF CONFLICT OF INTEREST**

Attorney Gilbert A. Trujillo individually represents the South San Luis Obispo County Sanitation District (together with their respective partners, affiliates, successors and assigns, "SCSD"). Attorney Trujillo also is Of Counsel with the firm CARMEL & NACCASHA, LLP. He has explained to SCSD that there exist present and potential conflicting interests in the above-described matters and has informed SCSD of the possible consequences of these conflicts. SCSD acknowledges the disclosure of Attorney Trujillo's proposed individual representation of SCSD generally, and in connection with the Central Coast Blue ("CCB") matter (as defined in the foregoing letter), while the firm CARMEL & NACCASHA, LLP represents the City of Arroyo Grande ("AG") in all matters generally, and in the CCB matter (as defined in the foregoing letter) in the manner described in the foregoing letter and the conflicts arising therefrom. SCSD understands that there presently exist, and may exist in the future, circumstances under which the interests of SCSD on the one hand, and AG on the other hand, are and will be adverse to the other. In that regard, Attorney Trujillo, has apprised SCSD of the provisions of Rules 1.7 and 1.9 of the Rules of Professional Conduct of the State Bar of California and of the conflict he will have through his representation of SCSD as described hereinabove. SCSD understands that it has the right to seek independent counsel before signing this Consent and Waiver and at any future time. SCSD, for itself and its affiliates, consents and gives approval to representation by Attorney Gilbert A. Trujillo of SCSD generally, and individually, in connection with the CCB matter, and other matters not related to the CCB matter, and gives its informed written consent to the conflicts of interest which may arise therefrom. SCSD, for itself and its affiliates, further agrees to the parameters of such representation of SCSD and AG as set forth in this letter above. This consent and waiver of conflict of interest may be executed in counterparts.

Because the South San Luis Obispo County Sanitation District is a public body, signing of this consent and conflict waiver on behalf of the South San Luis Obispo County Sanitation District shall constitute a representation that the person signing is authorized by the public body to provide the consent and conflict waiver.

South SLO County Sanitation District

By: _____
Name: _____
Title: _____
Dated: _____

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**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

STAFF REPORT

To: Board of Directors

From: Jeremy Ghent, District Administrator

Via: Amy Simpson, District Bookkeeper/Secretary

Date: December 4, 2019

Subject: CONSIDERATION OF FISCAL YEAR 2019/20 FIRST QUARTER (Q1) BUDGET ADJUSTMENTS; ADOPT RESOLUTION NO. 2019-412 AUTHORIZING BUDGET ADJUSTMENTS

RECOMMENDATION:

It is recommended the Board:

1. Review the recommended budget adjustments;
2. Adopt Resolution No. 2019-412 authorizing budgetary adjustments.

EXECUTIVE SUMMARY:

This staff report provides staffs' recommended adjustments to both revenues and expenditures. This quarter (Q1) all the adjustments can be accomplished with internal transfers between Operating Fund 19 and Replacement Fund 26. Internal transfers will be adequate to re-balance the budget in Q1.

It should be noted that for FY 19/20 District revenues include substantial debt funding for the District's Redundancy Project. This borrowed money will be recorded as revenue into Fund 20. Until the project is ready to issue debt this revenue will remain absent. In order to adequately evaluate the Budget at Q1 we will review with and (without) the Redundancy Project.

Through the end of Q1, the District has received 5% (22%) of its anticipated revenue and spent 6% (22%) 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 Q1. Table No. 1 summarizes adjustments to the various anticipated revenues to individual funds.

DISCUSSION:

As part of the Q1 Review staff reviewed every budgeted line item to determine where revenue/expenditures are projected to exceed the approved budget or where a surplus may exist at the end of the FY 19/20. The below described recommended adjustments will result in an increase of \$72,000 in Total Income. This increase in revenue will be allocated as \$24,000 in increased Operating Expenditures and \$48,000 in Fund 26 Contingency. Details of the

recommended adjustments are shown on Attachment No. 2., the recommended FY 19/20 Consolidated Budget.

REVENUE ADJUSTMENTS

Table No. 1 – Revenues

	FY 2019/20 Budget	Received as of 09.30.19		Recommended First Quarter Adjustment	Recommended Budget at First Quarter
		Amount	Percent		
Fund 19	\$5,477,000	\$1,182,365	22%	\$ 72,000.00	\$5,549,000
Fund 20	\$18,930,000	\$43,304	0%	\$ -	\$18,930,000
Fund 26				\$ -	
Total	\$24,407,000	\$1,225,670	5%	\$ 72,000.00	\$24,479,000

At first quarter District revenues are 5% (22%) collected. Interest Income is substantially higher than anticipated while Other Service Income is lower than initially projected. Oceano Income is at 0% and is expected to level out by the Mid-Year once Property Tax revenue is collected. Total Fund 20 Revenue is 0.3% (17%). This low percentage is due to Fund 20 holding the Redundancy budget and most of the revenue will be received as funding for the Redundancy Project is acquired.

Staff recommends increasing anticipated revenue by \$72,000 from \$40,000 to \$112,000 in the following account at Q1.

1. Account No. 19-5015 Interest Revenue (72% already received at the end of Q1). This need for increase is due to the amount of reserve cash in County Treasury receiving interest. Staff expects this trend to continue for the remainder of the Fiscal Year.

EXPENDITURE ADJUSTMENTS

Total District expenditures at the end of the first quarter stand at \$759,658 or 6% (22%) of projected expenditures. A summary of expenditures by Fund is detailed in Table No. 2 below.

Table No. 2 – Fund Expenditures

	FY 2019/20 Budget	Expended as of 09.30.19		Recommended First Quarter Adjustment	Recommended Budget at First Quarter
		Amount	Percent		
Fund 19	\$3,503,300	\$677,893	19%	\$ 24,000.00	\$3,527,300
Fund 20	\$7,438,400	\$43,304	1%		\$7,438,400
Fund 26	\$788,000	\$38,460	5%	\$ 48,000.00	\$836,000
Total	\$11,729,700	\$759,658	6%	\$ 72,000.00	\$11,801,700

Staff recommends allocating \$24,000 of the \$72,000 in unanticipated interest income to the following accounts at Q1. The remaining funds will be placed in Fund 26 Contingency which can be seen in Attachment No. 2 in the amount of \$48,000.

1. Account No. 19-7025 Employee Uniforms (39% expended at end of first quarter). Staff recommends an increase of \$2,200. This is a result of not budgeting uniforms for the new staff member in the initial budget.
2. Account No. 19-7069 LAFCO Budget Share (136% expended at end of first quarter). An increase of \$5,000 is recommended to balance this account for the Fiscal Year. The adopted FY 19/20 budget included \$14,000 for the District's contribution to LAFCO. This amount was based on the prior year bill of \$12,838. This FY the District's contribution to LAFCO was set at \$18,994. This is a one-time annual payment and is the only expense to this account.
3. Account No. 19-7071 Professional Services – Attorney (43% expended at end of first quarter). An increase of \$5,000 is recommended. This is a result of Jones and Mayer's work effort for the Project Labor Agreement.
4. Account No. 19-7080 AGP Video (36% expended at end of first quarter). An increase of \$2,500 is recommended. Due to the reduced meeting frequency the FY 19/20 budget estimated \$5,500 in reduced AGP expenses as compared to the prior FY.
5. Account No. 19-7093 Utility Rubbish (40% expended at end of first quarter). An increase of \$9,300 is recommended. Operation of the District's Bar Screens which began operation in 2018 has generated increases in solids removed from the treatment process. These additional landfill costs were not budgeted.

ACCOUNTS EXCEEDING 30% NOT REQUIRING ADJUSTMENT

Staff evaluated the following accounts which were higher than the 30% at the first quarter review and predict there will be sufficient funds available through the end of the year and do not currently recommend any adjustments.

1. Account No. 19-7082 Computer Support (32% expended at end of first quarter). No increase to this budget line item is recommended. A change in IT providers increased the expense during the first quarter. Some of these expenses were one-time expenses. There is sufficient budget remaining to cover the monthly service agreement of the new IT provider.
2. Account No. 19-7072 Auditing (48% expended at end of first quarter). No increase to this budget line item is necessary as the expenses are in-line with the fee schedule approved in the professional services agreement with the District's auditors.
3. Account No. 19-7091 Electricity (32% expended at end of first quarter). Due to the seasonality of demand and summer utility rates an approximately 30% expense at Q1 has been a regular trend. No increase to this budget line item is currently recommended as this account will likely normalize over the next budget quarters.

4. Account No. 19-7060 Ocean Outfall Maintenance (42% expended at end of first quarter). No increase to this budget line item is necessary as the maintenance will be completed during the next quarter.
5. Account No. 19-7015 Office Equipment/Computer/GIS (47% expended at the end of the first quarter). No increase to this budget line is necessary. Staff evaluated purchases that will be expensed to this account and believe there to be sufficient budget for the remainder of the Fiscal Year.

OPTIONS:

1. Adopt Resolution No. 2019-412 adjusting the budget per the staff recommendation. This is the staff recommendation.
2. Modify the recommended line item adjustments, adopt Resolution No. 2019-412 with the noted modifications.
3. Provide other direction to staff.

Attachments:

Attachment 1: Recommended Adjustments

Attachment 2: Adjusted Fiscal Year 2019/20 Consolidated Budget at First Quarter

Attachment 3: Profit & Loss Budget vs. Actual

RESOLUTION NO. 2019-412

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS AMENDING
THE FY 2019/20 BUDGET AT FIRST QUARTER**

WHEREAS, the Board of Directors has previously adopted the FY 2019/20 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 2019/20 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 2019/20 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 4th day of December 2019.

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

AYES:

NOES:

ABSENT:

ABSTAINED:

RESOLUTION NO. 2019-412

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 4th day of December 2019.

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

ATTEST:

AMY SIMPSON
DISTRICT BOOKKEEPER/SECRETARY

APPROVED AS TO FORM:

GILBERT A. TRUJILLO
DISTRICT COUNSEL

CONTENTS:

JEREMY GHENT
DISTRICT ADMINISTRATOR

ACCOUNT	CURRENT BUDGET	Increase	Decrease	ADJUSTED BUDGET
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OPERATING FUND 19 ACCOUNTS				
19-7069 LAFCO Budget Share	\$ 14,000.00	\$ 5,000.00		\$ 19,000.00
19-7025 Employee Uniforms	\$ 12,000.00	\$ 2,200.00		\$ 14,200.00
19-7070 Attorney Fees	\$ 36,000.00	\$ 5,000.00		\$ 41,000.00
19-7080 AGP Video	\$ 8,500.00	\$ 2,500.00		\$ 11,000.00
19-7093 Utility Rubbish	\$ 13,000.00	\$ 9,300.00		\$ 22,300.00
Contingency	\$ -	\$ 48,000.00		\$ 48,000.00
Net Budgetary Changes to Funds 19 and 26		\$ 72,000.00		

ACCOUNT	CURRENT BUDGET	AMOUNT RECEIVED/EXPENDED AS OF 09.30.19	PERCENT AS OF 09.30.19	PROPOSED ADJUSTMENT	FY 2019/20 ADJUSTED BUDGET AMOUNT AT FIRST QUARTER
REVENUE ACCOUNTS					
19-5015 Interest Income	\$ 40,000	\$ 28,882	72%	\$ 72,000	\$ 112,000
Net Budgetary Changes to Revenue				\$ 72,000	
EXPENSE ACCOUNTS					
19-7069 LAFCO Budget Share	\$ 14,000	\$ 18,994	136%	\$ 5,000	\$ 19,000
19-7025 Employee Uniforms	\$ 12,000	\$ 4,651	39%	\$ 2,200	\$ 14,200
19-7070 Attorney Fees	\$ 36,000	\$ 15,651	43%	\$ 5,000	\$ 41,000
19-7080 AGP Video	\$ 8,500	\$ 3,073	36%	\$ 2,500	\$ 11,000
19-7093 Utility Rubbish	\$ 13,000	\$ 5,254	40%	\$ 9,300	\$ 22,300
Net Budgetary Changes to Expense				\$ 24,000	
Contingency (Net Total Budgeted Revenue -Expense)				\$ 48,000	

ADJUSTED FY 2019/2020 CONSOLIDATED BUDGET AT Q1

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	ADJUSTED FY 19/20 @ Q1
Revenues					
Gross Revenues					
Service Charges and Fees		5,305,000			5,305,000
Connection Fees			156,000		156,000
Interest		112,000	64,000		176,000
Brine Revenue		132,000			132,000
Bond and USDA Funding			18,710,000		18,710,000
Total Revenues		5,549,000	18,930,000	-	24,479,000
Expenditures & Other Uses					
Operating Expenditures					
Salaries and Wages		829,000			829,000
Employee Benefits and Other Personnel Costs		491,500			491,500
Permits, Fees and Licenses		33,500			33,500
Communications		14,600			14,600
Administrative Costs		369,000			369,000
Disposal Services		63,000			63,000
Utilities		234,800			234,800
Maintenance, Tools & Replacements		447,200			447,200
Materials, Services and Supplies		364,700			364,700
Training, Education & Memberships		59,000			59,000
Total Operating Expenditures		2,906,300	-	-	2,906,300
Total Other Charges					
Debt Service		440,000			440,000
MOU with City of Pismo Beach			113,400		113,400
Total Other Charges		440,000	113,400	-	553,400
Capital Outlay					
Capital Replacement/Maintenance (Fund 26)				788,000	788,000
Capital Equipment		181,000	7,325,000		7,506,000
Total Capital Outlay		181,000	7,325,000	788,000	8,294,000
		3,527,300	7,438,400	788,000	11,753,700
Other Financing Sources & Uses					
Transfers Out Fund 26		836,000		(836,000)	-
Contingency				48,000	48,000
Redundancy Designations		1,185,700	(1,185,700)		-
Designated Funding Redundancy			12,677,300		12,677,300
Total Other Financing Sources & Uses		2,021,700	11,491,600	(788,000)	12,725,300
Total Funding Source		5,549,000	18,930,000	-	24,479,000
Total Expense		5,549,000	18,930,000	-	24,479,000
Net Change (Deficit)		-	-	-	-

S. S.L.O. CO. SANITATION DISTRICT
Profit & Loss Budget vs. Actual
 July through September 2019

	Jul - Sep 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
19-4015 Arroyo Grande Services	606,398.75	2,430,000.00	-1,823,601.25	25.0%
19-4022 Grover Beach Services	508,158.58	1,887,000.00	-1,378,841.42	26.9%
19-4035 Oceano Services	0.00	923,000.00	-923,000.00	0.0%
19-4040 Other Service Income	4,002.00	25,000.00	-20,998.00	16.0%
19-4045 School Services	5,898.08	40,000.00	-34,101.92	14.7%
19-4050 Brine Disposal Service	29,025.92	132,000.00	-102,974.08	22.0%
19-5015 Interest	28,881.93	40,000.00	-11,118.07	72.2%
Suspense	0.00	0.00	0.00	0.0%
Total Income	1,182,365.26	5,477,000.00	-4,294,634.74	21.6%
Gross Profit	1,182,365.26	5,477,000.00	-4,294,634.74	21.6%
Expense				
19-6030 Plant Operators	114,226.60	597,000.00	-482,773.40	19.1%
19-6040 Secretary/Bookkeeper	14,789.41	62,000.00	-47,210.59	23.9%
19-6045 District Administrator	37,071.88	170,000.00	-132,928.12	21.8%
19-6010 Medical Insurance	48,356.32	215,000.00	-166,643.68	22.5%
19-6025 Dental Insurance	2,162.31	8,500.00	-6,337.69	25.4%
19-6050 S.S. & Medicare	12,705.69	65,000.00	-52,294.31	19.5%
19-6055 State Disability Insur	812.33	3,500.00	-2,687.67	23.2%
19-6060 State Retirement	19,662.60	80,000.00	-60,337.40	24.6%
19-6065 Unfunded Liability	19,581.45	76,000.00	-56,418.55	25.8%
19-6075 Medical Reimbursement	1,218.94	6,500.00	-5,281.06	18.8%
19-6080 Workers Compensation	5,694.80	27,000.00	-21,305.20	21.1%
19-6095 Unemployment Remiburse	0.00	10,000.00	-10,000.00	0.0%
19-6090 Payroll Process Fee	733.14	3,500.00	-2,766.86	20.9%
19-7068 Permits/Fees/License	6,107.74	30,000.00	-23,892.26	20.4%
19-7011 Communications	903.47	4,000.00	-3,096.53	22.6%
19-7013 Communications-Teleph	1,511.64	7,000.00	-5,488.36	21.6%
19-7014 Communcations-Cell	584.86	3,600.00	-3,015.14	16.2%
19-7082 Prof. Serv.-Comp. Suprt	3,186.86	10,000.00	-6,813.14	31.9%
19-7005 Advert/Legal&Recruit	2,076.69	10,000.00	-7,923.31	20.8%
19-7043 Ins, Liability/Auto	37,441.74	40,000.00	-2,558.26	93.6%
19-7062 Prof Serv.-Electrician	1,248.60	6,000.00	-4,751.40	20.8%
19-7065 Public Outreach	0.00	4,000.00	-4,000.00	0.0%
19-7069 LAFCO Budget Share	18,993.53	14,000.00	4,993.53	135.7%
19-7070 Prof Serv -Out.Counsel	2,972.64	30,000.00	-27,027.36	9.9%
19-7071 Prof Serv-Attorney Fee	15,651.00	36,000.00	-20,349.00	43.5%
19-7072 Prof Serv - Auditing	5,700.00	12,000.00	-6,300.00	47.5%
19-7073 Prof Serv - AG Billing	5,556.25	23,000.00	-17,443.75	24.2%
19-7074 Prof Serv - Oceano Com	1,676.92	11,000.00	-9,323.08	15.2%
19-7075 Prof Serv - Brd Member	1,200.00	4,000.00	-2,800.00	30.0%
19-7076 Prof Serv- H R Service	2,750.00	25,000.00	-22,250.00	11.0%
19-7077 Prof Serv-Engineering	0.00	20,000.00	-20,000.00	0.0%
19-7078 Prof Serv-Chem Analysis	5,619.00	20,000.00	-14,381.00	28.1%
19-7079 Prof Serv-Records Mngmt	0.00	4,000.00	-4,000.00	0.0%
19-7095 Zone 1/1A Agreement	31,876.06	31,000.00	876.06	102.8%
19-7080 Prof Serv - AGP Video	3,072.50	8,500.00	-5,427.50	36.1%
19-7081 Prof Serv-GB Bill	5,621.00	23,000.00	-17,379.00	24.4%
19-7083 Prof Serv-Fiscal Serv.	3,462.00	20,000.00	-16,538.00	17.3%
19-7088 Prof Serv-Strat Plannin	0.00	5,000.00	-5,000.00	0.0%
19-7085 Solids Handling	17,375.53	60,000.00	-42,624.47	29.0%
19-7086 Brine Disposal Samplin	273.00	3,000.00	-2,727.00	9.1%

	<u>Jul - Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
19-7091 Util-Elec	55,715.87	175,000.00	-119,284.13	31.8%
19-7092 Util-Gas	6,507.06	35,000.00	-28,492.94	18.6%
19-7093 Util-Rubbish	5,253.82	13,000.00	-7,746.18	40.4%
19-7094 Util-Water	629.47	2,500.00	-1,870.53	25.2%
19-7060 Ocean Outfall Maint	10,492.60	25,000.00	-14,507.40	42.0%
19-8030 Equipment Maint-Reg	28,380.96	189,500.00	-161,119.04	15.0%
19-8032 Automotive Maint	157.69	1,500.00	-1,342.31	10.5%
19-8060 Structure Maint-Reg	3,177.87	20,000.00	-16,822.13	15.9%
19-8061 Struct Maint - Major	0.00	0.00	0.00	0.0%
19-8015 Trunk Sewer Maintenanc	5,887.74	200,000.00	-194,112.26	2.9%
19-8055 Small Tools	32.31	1,200.00	-1,167.69	2.7%
19-8056 Safety Supplies	2,359.01	10,000.00	-7,640.99	23.6%
19-6035 Student Interns	0.00	5,000.00	-5,000.00	0.0%
19-6085 Temp Labor Service	0.00	5,000.00	-5,000.00	0.0%
19-7025 Employee Uniforms	4,651.26	12,000.00	-7,348.74	38.8%
19-7032 Equip Rental Other	996.30	5,000.00	-4,003.70	19.9%
19-8020 Gas & Oil	746.52	7,500.00	-6,753.48	10.0%
19-8035 Admin Building Expense	833.90	3,000.00	-2,166.10	27.8%
19-8040 Lab Supplies	3,098.05	10,000.00	-6,901.95	31.0%
19-8045 Office Supplies&Exp	1,460.79	6,000.00	-4,539.21	24.3%
19-8050 Plant Chemicals	67,387.31	300,000.00	-232,612.69	22.5%
19-7015 Off. Equi/Computer/GIS	4,272.48	9,000.00	-4,727.52	47.5%
19-7050 Memberships	1,309.34	16,000.00	-14,690.66	8.2%
19-7055 Prof. Certs/Licenses	240.00	3,000.00	-2,760.00	8.0%
19-7067 Training/Conferences	8,653.79	40,000.00	-31,346.21	21.6%
19-8010 Capital Equipment	13,772.23	181,000.00	-167,227.77	7.6%
19-8077 Contingency	0.00	0.00	0.00	0.0%
Reconciliation Discrepancies	0.02			
Total Expense	677,892.89	3,063,300.00	-2,385,407.11	22.1%
Net Ordinary Income	504,472.37	2,413,700.00	-1,909,227.63	20.9%
Other Income/Expense				
Other Income				
19-4055 Lease (AT&T)	0.00	0.00	0.00	0.0%
19-8080 Trsf to Expansion	0.00	0.00	0.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%
Other Expense				
Redundancy Designation	296,425.00	1,185,700.00	-889,275.00	25.0%
19-8079 Transfer to Replacement	197,000.00	788,000.00	-591,000.00	25.0%
Interest Expense Debt Service	0.00	440,000.00	-440,000.00	0.0%
Total Other Expense	493,425.00	2,413,700.00	-1,920,275.00	20.4%
Net Other Income	-493,425.00	-2,413,700.00	1,920,275.00	20.4%
Net Income	11,047.37	0.00	11,047.37	100.0%

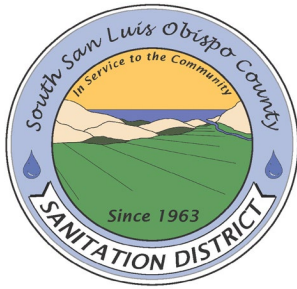
So San Luis Obispo Co Sanitation District
Profit & Loss Budget vs. Actual
 July through September 2019

	Jul - Sep 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
20-4010 AG Connections	7,425.00	100,000.00	-92,575.00	7.4%
20-4020 GB Connections	10,518.00	50,000.00	-39,482.00	21.0%
20-4030 OCSD Connections	3,712.00	6,000.00	-2,288.00	61.9%
20-5015 Interest Income	16,102.57	64,000.00	-47,897.43	25.2%
Total Income	37,757.57	220,000.00	-182,242.43	17.2%
Expense				
20-7060 SCADA	0.00	75,000.00	-75,000.00	0.0%
20-7080 Redundancy Project				
Phase 1	8,658.47	135,000.00	-126,341.53	6.4%
Phase 2	226.60			
Phase 3	0.00	45,000.00	-45,000.00	0.0%
Phase 4	0.00	120,000.00	-120,000.00	0.0%
Phase 5	0.00	400,000.00	-400,000.00	0.0%
Phase 6	22,963.14	130,000.00	-107,036.86	17.7%
Phase 7	0.00	6,300,000.00	-6,300,000.00	0.0%
Contingency	0.00	70,000.00	-70,000.00	0.0%
Total 20-7080 Redundancy Project	31,848.21	7,200,000.00	-7,168,151.79	0.4%
20-7094 MOU w/Pismo Joint EIR	0.00	113,400.00	-113,400.00	0.0%
20-8010 Capital Equipment				
Chlorine Contact Tank PLC	0.00	50,000.00	-50,000.00	0.0%
99 MBI 01 SCADA Phase 2	11,456.28	0.00	11,456.28	100.0%
Total 20-8010 Capital Equipment	11,456.28	50,000.00	-38,543.72	22.9%
Total Expense	43,304.49	7,438,400.00	-7,395,095.51	0.6%
Net Ordinary Income	-5,546.92	-7,218,400.00	7,212,853.08	0.1%
Other Income/Expense				
Other Income				
Redundancy Designations	296,425.00	1,185,700.00	-889,275.00	25.0%
Municipal Bond Proceeds	0.00	13,500,000.00	-13,500,000.00	0.0%
USDA Interim Financing	0.00	5,210,000.00	-5,210,000.00	0.0%
Total Other Income	296,425.00	19,895,700.00	-19,599,275.00	1.5%
Other Expense				
Designated Funding - Redundancy	0.00	12,677,300.00	-12,677,300.00	0.0%
Total Other Expense	0.00	12,677,300.00	-12,677,300.00	0.0%
Net Other Income	296,425.00	7,218,400.00	-6,921,975.00	4.1%
Net Income	290,878.08	0.00	290,878.08	100.0%

So San Luis Obispo Co Sanitation District - 26(Replacement)
Profit & Loss Budget vs. Actual
July through September 2019

	<u>Jul - Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Expense				
26-8065 Struct/Grnds Repl&Imp	38,460.31	738,000.00	-699,539.69	5.2%
26-8070 Emergency Equip Repair	0.00	50,000.00	-50,000.00	0.0%
Total Expense	<u>38,460.31</u>	<u>788,000.00</u>	<u>-749,539.69</u>	<u>4.9%</u>
Net Ordinary Income	<u>-38,460.31</u>	<u>-788,000.00</u>	<u>749,539.69</u>	<u>4.9%</u>
Other Income/Expense				
Other Income				
26-5040 Transfer from funds	197,000.00	788,000.00	-591,000.00	25.0%
Total Other Income	<u>197,000.00</u>	<u>788,000.00</u>	<u>-591,000.00</u>	<u>25.0%</u>
Net Other Income	<u>197,000.00</u>	<u>788,000.00</u>	<u>-591,000.00</u>	<u>25.0%</u>
Net Income	<u>158,539.69</u>	<u>0.00</u>	<u>158,539.69</u>	<u>100.0%</u>

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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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STAFF REPORT

To: Board of Directors
From: Jeremy Ghent, District Administrator; Mike Arias, Operations Supervisor
Date: December 4, 2019

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:

- *Update on the Agenda*

Central Coast Blue:

- *No Change.*

Misc:

- The District has identified approximately 15 residential properties in the Halcyon Neighborhood that have incorrectly been charged for sewer service for the past 4 years. District is working with NBS and the Tax Collector's office to make corrections and issue refunds. *Refunds are currently being processed and should be mailed by 12/18*
- *District Administrator Reviewed Public Improvement Plans for the City of Arroyo Grande Bridge Street Bridge Replacement.*
- *District received a copy of the City of Grover Beach Sewer Master Plan on 11/27.*

Plant Tours:

1. *None*

Upcoming Items (Anticipated Date):

Revisions to KJ ESDC contract for Compliance with USDA (Jan 15th)

Central Coast Blue MOA (TBD)

District Goals and Priorities (TBD)

Plant Operations Report

During this reporting period (November 1st – November 26th) 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 November 26, 2019

November 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	2.2	3.2	423	12.4		386	18.4		<1.8	188
High	2.57	4.3	485	22.8		485	34.8		41	574
Average	2.34	3.6	452	16.4	96.4	427	25.4	94.1	11.35	270
Nov 2018 AVG	2.5	3.75	435	19.9	95.4	486	27.4	94.4	21.5	338
Limit	5.0			40/60/90			40/60/90	>80	2000	

*Limits – 40/60/90 represent the monthly average, weekly average, and instantaneous maximum value for plant effluent Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS). >80 represents the average monthly percent removal of BOD and TSS. 2000 represents the maximum daily value for plant effluent fecal coliform

Operation and Maintenance Projects

- Repair completed on water heater used for sodium bisulfite tank
- All sludge beds cleaned and prepped for seasonal transition
- Manhole inspection project started
- Piping and valves at backup chlorine tank repaired
- Wet weather preparation
- Inspect and mark Underground Service Alerts
- Repair water pressure regulator for influent pump #4
- Cleaning of all ORP probes
- Kevin Seiffert with AutoSys on-site for troubleshooting and repair of effluent pump VFD
- Staff testing of effluent pumps w/ Kevin Seiffert to ensure normal operation of all effluent pumping systems
- Platform built for Duperon Flexrake bar screens to provide easier access to bearings during maintenance

Work Orders Completed

- ISCO sampler maintenance
- Operator carts maintenance
- Quarterly Duperon Flexrake #1 maintenance including debris removal and greasing of bearings
- Quarterly Duperon Compactor inspection and greasing
- FFR maintenance including replacing bearing oil, orifice cleaning, and net cleaning
- Effluent junction box maintenance

- Run Standby Emergency Generator
- Run Emergency Standby Pump
- Inspection and cleaning of digester vacuum/pressure relief valves
- Algae removal at primary clarifiers

Training

- Staff attended air valve training at Famcon
- Staff attended a Safety Meeting: Wet Weather Safety
- SDRMA online safety training

Call Outs

- No call outs reported during this time period