

**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
Arroyo Grande Council Chambers,
212 East Branch Street,
Arroyo Grande, California 93420**

Wednesday, April 5, 2023, at 6:00 p.m.

Board Members

Caren Ray Russom, Chair
Karen Bright, Vice Chair
Linda Austin, Director

Agencies

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

Alternate Board Members

Lan George, Director
Clint Weirick, Director
Allene Villa, Director

City of Arroyo Grande
City of Grover Beach
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 March 1, 2023

6. ACTION ITEMS:

6A. AUTHORIZE EXECUTION OF CONTRACT AMENDMENT #6 FOR WWTP REDUNDANCY PROJECT CONSTRUCTION PHASE ENGINEERING SERVICES WITH KENNEDY/JENKS CONSULTANTS, INC., PENDING USDA APPROVAL

Recommendation: Authorize the District Administrator to execute a contract amendment for Construction Phase Design Engineering Services for the Wastewater Treatment Plant Redundancy Project with Kennedy/Jenks Consultants, Inc. in the amount of \$95,749.

6B. FISCAL YEAR 2022/23 MID-YEAR (Q2) BUDGET REVIEW.

Recommendation: Receive and File.

6C. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Recommendation: Receive and File.

7. BOARD MEMBER COMMUNICATIONS:

8. ADJOURNMENT

The next regularly scheduled Board Meeting is May 3, 2023, 6:00 pm at the
Arroyo Grande Council Chambers,
212 E. Branch Street, Arroyo Grande, California 93420

WARRANT REGISTER
4/5/2023
FISCAL YEAR 2022/23

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AMERICAN BUSINESS MACHINES	OFFICE SUPPLYS	667569	022223-6664	8045	77.65	77.65
ARAMARK	EMPLOYEE UNIFORMS	02/20/2023	6665	7025	384.97	384.97
BANK OF NY MELLON TRUST	DEBT SERVICE	FY 22/23	6666	9000	1,500.00	1,500.00
CITY OF GROVER BEACH	AGENCY BILLING	FEBRUARY 2023	6667	7081	1,966.25	1,966.25
GSOLUTIONZ	COMMUNICATIONS	12/22/22-01/22/23	6668	7013	353.28	353.28
I.I. SUPPLY	SAFETY	89730	6669	8030	39.05	115.12
	EQUIPMENT MAINTENANCE	89731		8056	76.07	
JB DEWAR	FUEL	234821; 171477	6670	8020	225.60	225.60
JONES & MAYER	LEGAL COUNSEL	JANUARY 2023	6671	7071	817.00	817.00
KAMAN INDUSTRIAL TECHNOLOGY	EQUIPMENT MAINTENANCE	G505041	6672	8030	135.05	135.05
OEC, INC	CHEMICAL ANALYSIS	2300302; 2300299	6673	7078	192.50	192.50
PERRY'S ELECTRIC MOTORS	EQUIPMENT MAINTENANCE	26682	6674	8030	1,076.61	1,076.61
PG&E	ELECTRICITY	01/09/23-02/07/23	6675	7091	26,642.35	26,642.35
REGIONAL GOVT. SERVICES	HUMAN RESOURCES	JANUARY 2023	6676	7076	2,081.71	2,081.71
WATERJET CENTRAL	STRUCTURE MAINTENANCE	23027	6677	8061	598.13	598.13
WW GRAINGER	EQUIPMENT MAINTENANCE	9599502862	6678	8030	1,405.18	1,405.18
ABALONE COAST ANALYTICAL	CHEMICAL ANALYSIS	23-0926	030723-6679	7078	420.00	420.00
ALLIED ADMINISTRATORS	DENTAL	APRIL 2023	6680	6025	922.58	922.58
ARAMARK	EMPLOYEE UNIFORMS	02/27/2023	6681	7025	372.80	372.80
BRENNTAG	PLANT CHEMICALS	BPI312564; BPI313211	6682	8050	21,291.07	21,291.07
CITY OF GROVER BEACH	AGENCY BILLING	MARCH 2023		7081	1,793.00	1,793.00
COASTAL ROLLOFF	RUBBISH	FEBRUARY 2023	6684	7093	980.20	980.20
CULLIGAN CCWT	RENTAL EQUIPMENT	MARCH 2023	6685	7032	60.00	60.00
ENGEL & GRAY	BIOSOLIDS HANDLING	FEBRUARY 2023	6686	7085	9,100.14	9,100.14
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	3420; 3411	6687	7082	222.22	222.22
FARM SUPPLY	UNIFORMS	98608	6688	7025	24.77	24.77
FRANKS LOCK AND KEY	EQUIPMENT MAINTENANCE	53495	6689	8030	77.78	77.78
GSOLUTIONZ	COMMUNICATIONS	APRIL 2023	6690	7013	72.95	72.95
JB DEWAR	FUEL	172732	6691	8020	185.48	185.48
JR FILANC	REDUNDANCY	APPLICATION 22	6692	20-7080	281,015.06	281,015.06
KENNEDY JENKS	REDUNDANCY	161683	6693	20-7080	16,646.45	16,646.45
LINDE	EQUIPMENT MAINTENANCE	1/20/23-2/20/23	6694	7032	44.30	44.30
MARCEL ALAIN PHOTOGRAPHY	REDUNDANCY	0C353EEB-0011	6695	20-7080	275.00	275.00
MCMaster CARR	EQUIPMENT MAINTENANCE	MULTIPLE	6696	8030	352.11	352.11
MICHAEL K NUNLEY	REDUNDANCY	102121	6697	20-7080	8,507.81	8,507.81
MINERS HARDWARE	EQUIPMENT MAINTENANCE	FEBRUARY 2023	6698	8030	256.60	256.60
MNS	REDUNDANCY	82477	6699	20-7080	89,140.69	89,140.69
POLYDYNE	PLANT CHEMICALS	1718758	6700	8050	8,425.43	8,425.43
SO CAL GAS	UTILITY GAS	01/31/2023-03/02/2023	6701	7092	6,176.95	6,176.95
SOUTH COUNTY SANITARY	RUBBISH	MARCH 2023	6702	7093	368.99	368.99
STANLEY	ALARMS	MARCH 2023	6703	7011	80.08	80.08
SWRCB	ACL PAYMENT	R3-2023-0009	6704	7068	6,000.00	6,000.00
UMPQUA BANK	CREDIT CARD	FEBRUARY 2023	6705		4,534.75	4,534.75
USA BLUEBOOK	EQUIPMENT MAINTENANCE	282237; 277527	6706	8030	446.78	446.78
WW GRAINGER	SAFETY SUPPLIES	MULTIPLE	6707	8056	186.05	186.05
AGP VIDEO	PROFESSIONAL SERVICE	FEBRUARY 1, 2023	031723-6708	7080	650.00	650.00
ALLTECH COMPUTERS	COMPUTER SUPPORT	32923660; 32923576	6709	8045	250.00	250.00
AMERICAN BUSINESS MACHINES	OFFICE SUPPLYS	672377	6710	8045	77.65	77.65
ARAMARK	UNIFORMS	03/06/23; 03/13/23	6711	7025	829.68	829.68
ATT FIRST NET	COMMUNICATIONS	02/03/23-03/02/23	6712	7013	80.48	80.48
BRENNTAG	PLANT CHEMICALS	BPI315307	6713	8050	10,070.80	10,070.80
CAREN RAY RUSSOM	BOARD SERVICE	FEBRUARY AND MARCH	6714	7075	200.00	200.00
CHARTER COMMUNICATIONS	COMMUNICATIONS	03/01/23-03/28/23	6715	7013	319.96	319.96
COASTAL JANITORIAL	STRUCTURE MAINTENANCE	MARCH 2023	6716	8061	775.00	775.00
CULLIGAN CCWT	EQUIPMENT RENTAL	80046	6717	7032	90.00	90.00
GSOLUTIONZ	COMMUNICATIONS	01/22/23-02/22/23	6718	7013	353.28	353.28
HILTI	EQUIPMENT MAINTENANCE	4620613774	6719	8030	163.21	163.21
II SUPPLY	SAFETY SUPPLYS	90283	6720	8056	5.16	5.16
JB DEWAR	FUEL	173965	6721	8020	183.87	183.87
JONES & MAYER	LEGAL COUNSEL	FEBRUARY 2023	6722	7071	2,468.50	2,468.50
KAREN BRIGHT	BOARD SERVICE	FEBRUARY AND MARCH	6723	7075	200.00	200.00
LINDA AUSTIN	BOARD SERVICE	FEBRUARY AND MARCH	6724	7075	200.00	200.00
MCMaster CARR	EQUIPMENT MAINTENANCE	94447217	6725	8030	35.07	35.07
OILFIELD ENVIRONMENTAL	CHEMICAL ANALYSIS	2300853	6726	7078	103.50	103.50
PERC WATER	REDUNDANCY	5944	6727	20-7080	600.00	600.00
READY REFRESH	ADMIN OFFICE	1/25/23-2/24/23	6728	8045	64.76	64.76
RINCON CONSULTANTS, INC.	BIOLOGICAL MONITORING	46446	6729	20-7080	4,276.25	23,447.75
	COASTAL HAZARD MONITORING	46453		19-7020	19,171.50	
ROYAL WHOLESALE	SCADA	7842-1008566	6730	20-7060	560.20	560.20
SAN LUIS POWERHOUSE	EQUIPMENT MAINTENANCE	48938	6731	8030	2,623.21	2,623.21
SPRINT	COMMUNICATIONS	02/04/23-03/03/23	6732	7014	147.19	147.19
SSLOCSO	EMPLOYEE BENEFITS	FEBRUARY 2023	6733		107,588.67	107,588.67
STANLEY SECURITY	ALARMS	APRIL 2023	6734	7011	80.08	80.08
WW GRAINGER	EQUIPMENT MAINTENANCE	MULTIPLE	6735	8030	179.21	179.21
TOTAL					647,898.67	647,898.67

We hereby certify that the demands numbered serially from 022223-6664-to 031723-6735 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

Secretary



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SUMMARY ACTION MINUTES Meeting of Wednesday, March 1, 2023

1. CALL TO ORDER AND ROLL CALL

Chair Ray Russom called the meeting to order and recognized a quorum.

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

District Staff: Jeremy Ghent, District Administrator
Keith Collins, District Legal Counsel
Mychal Jones, District Superintendent
Amy Simpson, District Bookkeeper/Secretary

2. PLEDGE OF ALLEGIANCE

3. AGENDA REVIEW

Action: Approved as presented.

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 February 1, 2023**
- 5C. Bylaws Annual Review**

There was no public comment.

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

Second: Director Bright

Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. SUBMITTAL OF A RESOLUTION HONORING KAREN WHITE FOR HER OUTSTANDING SERVICE TO THE RATEPAYERS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Recommendation: Adopt Resolution No. 2023-444 commending and thanking Director Karen White for her contributions to the Sanitation District and its rate payers.

There was no public comment.

Director White thanked staff and Board Members.

Motion: Director Bright motioned to approve staff's recommendation.
Second: Director Austin

Action: Approved unanimously by roll call vote.

6B. SUBMITTAL OF A RESOLUTION HONORING JEFF LEE FOR HIS OUTSTANDING SERVICE TO THE RATEPAYERS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Recommendation: Adopt Resolution No. 2023-445 commending and thanking Director Jeff Lee for his contributions to the Sanitation District and its rate payers.

There was no public comment.

Director Lee thanked staff and the Board Members.

Motion: Director Bright motioned to approve staff's recommendation.
Second: Director Austin

Action: Approved unanimously by roll call vote.

6C. WWTP REDUNDANCY PROJECT UPDATE

District engineer Eileen Shields from MKN & Associates presented this item. The Board had a discussion regarding the correction of the electrical rotation which caused damage to both primary clarifiers.

There was no public comment.

Action: Receive and File.

6D. ROTATION OF DISTRICT FINANCIAL AUDITORS

Legal Counsel presented this report.

The Board agreed that they would like to continue to use Moss, Levy and Hartzheim as the District Auditors.

There was no public comment.

Action: Receive and File.

6E. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Administrator Ghent presented the District Administrator Report.

Superintendent Jones presented the Operations Report and reported during the February 1st – February 24th reporting period, the District's facility exceeded its NPDES Permit limit for daily maximum fecal coliform. The Regional Water Quality Control Board has been notified. All other process values were within Permit limitations.

There was no public comment.

Action: The Board received and filed this report.

7. BOARD MEMBER COMMUNICATIONS

None

8. ADJOURNMENT:

6:53 p.m.

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



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

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STAFF REPORT

To: Board of Directors

From: Jeremy Ghent, District Administrator

Date: April 5, 2023

Subject: **AUTHORIZE EXECUTION OF CONTRACT AMENDMENT #6 FOR WWTP REDUNDANCY PROJECT CONSTRUCTION PHASE ENGINEERING SERVICES WITH KENNEDY/JENKS CONSULTANTS, INC., PENDING USDA APPROVAL**

RECOMMENDATION:

Authorize the District Administrator to execute a contract amendment for Construction Phase Design Engineering Services for the Wastewater Treatment Plant Redundancy Project with Kennedy/Jenks Consultants, Inc. in the amount of \$95,749.

BACKGROUND AND DISCUSSION:

Kennedy Jenks Consultants, Inc., (KJ) was selected as the Project Design Engineer for the Wastewater Treatment Plant (WWTP) Redundancy Project in April 2016. KJ was instrumental in developing the Project, assisted through the bid phase, and has performed engineering services during construction to date. Notice to Proceed for construction was issued to J.R. Filanc Construction Company in January 2021. As the project moves through construction, continued design engineering services are required to ensure the project is constructed successfully and in accordance with the design. The existing contract with KJ currently includes \$1,065,879 for engineering services during construction (ESDC).

As of January 1, 2023, the project is 24 months into the 30-month construction schedule and approximately 88% of the ESDC budget had been expended (\$935,935). Recent tasks have required additional effort beyond the contract budget. KJ last submitted an update in June 2022 at the 17-month milestone with Amendment 5, which the Board approved. KJ has again reviewed effort to date and projected efforts with the project team and submitted a proposal to amend the ESDC scope and budget to cover the anticipated design engineering services. The request is based on increased efforts required to coordinate meetings and to review and respond to Requests for Information (RFIs) and construction submittals.

The following summarizes the main changes proposed in Amendment 6 (attached).

- **Task 7.2 – Responding to RFIs and Preparing Clarifications: (INCREASE)** The \$256,209 budget for this task is based on responding to as many as 268 RFIs. As of the end of December 2022, KJ had reviewed and responded to 285 RFIs. The total cost for this task is \$45,968 over the current budget. The average effort per RFI for the latest RFIs has been \$1,060 per RFI, similar to the \$1,047 per RFI budgeted in Amendment 5 but less than the \$1,535 per RFI initially budgeted in the contract estimate. Based on an average of 6 RFIs per month over the past 6 months, KJ estimates an additional 36 RFIs through the June 2023 completion date. Amendment 6 proposes increasing the budget by \$84,138 to cover the \$45,968 in current task budget over-spend, and an additional \$38,170 to respond to projected future RFIs.
- **Task 7.4 – Submittal Reviews: (INCREASE)** The \$334,200 budget for this scope of work is based on reviewing as many as 289 submittals and resubmittals. Through the end of December 2022, Kennedy Jenks has reviewed 315 submittals at a similar effort per submittal than budgeted in Amendment 5, averaging \$1,120 per submittal. KJ estimates an additional 24 submittals and resubmittals for the project. Amendment 6 proposes increasing the budget by \$45,489 to cover the \$18,609 in current task budget over-spend and an additional \$26,881 for additional submittal review.
- **Task 7.5 – Construction Meetings, Coordination Meetings, and Photo Review: (INCREASE)** The \$72,962 budget for this scope of work is based on 322 hours of construction and coordination support. As of the end of December 2022, KJ had participated in 346 hours at 14 hours per month with \$415 of budget remaining. Amendment 6 proposes an increase of \$17,612 to provide up to 14 hours per month of construction and coordination support through the June 23 completion date.
- **Task 7.8, 7.9, and 7.10: (DECREASE)** KJ proposes a budget reduction of \$32,005 for Task 7.8 – As Needed Services which provides \$5,000 of budget remaining for KJ to address unforeseen issues. Task 7.9 – Clarifier Condition Assessment consisted of an on-site inspection and report. That work is complete with \$10,605 remaining budget. Task 7.10 – Ground Improvements is almost complete with \$8,800 of savings estimated once Yeh contract services and KJ related services are completed. The total budget reduction for these three tasks is \$51,490.

The total proposed budget amendment is \$95,749. A summary of the original budget, amount spent through December 2022, and requested additional budget per task is provided in the table below.

Table 2. Cost to Complete Estimate and Amendment 6 Request for ESDC Budget Effort

Task/Subtask	Budget	Spent thru Dec 2022 (a)	Remaining	Est Cost to Complete	Amd 6 Request	Budget with Amd 6
Phase 4 - Workshops, PM, QC						
Task 4.3 - Project Management	\$69,177	\$42,031	\$27,146	\$27,146	\$0	\$69,177
Phase 4 - Subtotal	\$69,177	\$42,031	\$27,146	\$27,146	\$0	\$69,177
Phase 7 - Office Engineering During Construction						
Task 7.1 - Conformed Drawings	\$17,719	\$17,719		\$0		\$17,719
Task 7.2 - RFIs and Preparing Clarifications (b)	\$256,209	\$302,177	(\$45,968)	\$0	\$45,968	\$340,347
53 Add't RFIs (total 321)				\$38,170	\$38,170	
Task 7.3 - Preparing RFQs and Responding to COs	\$37,099	\$20,200	\$16,899	\$16,899	\$0	\$37,099
Task 7.4 - Submittal Reviews (c)	\$334,200	\$352,809	(\$18,609)		\$18,609	\$379,689
50 Add't Submittals (total 339)				\$26,881	\$26,881	
Task 7.5 - Construction, Coord Meetings, Photo Review	\$72,962	\$72,548	\$415	\$18,027	\$17,612	\$90,574
Task 7.6 - Site Visits	\$34,313	\$21,238	\$13,075	\$13,075	\$0	\$34,313
Task 7.7 - Record Drawings	\$53,246	\$0	\$53,246	\$53,246	\$0	\$53,246
Task 7.8 - Other As-Needed Services	\$51,250	\$14,245	\$37,005	\$5,000	(\$32,005)	\$19,245
Task 7.9 - Clarifier Condition Assessment	\$18,520	\$7,915	\$10,605	\$0	(\$10,605)	\$7,915
Task 7.10 - Ground Improvements - Observation/Testing	\$121,184	\$85,054	\$36,130	\$27,250	(\$8,880)	\$112,304
Phase 7 - Subtotal	\$996,702	\$893,904	\$102,797	\$198,547	\$95,749	\$1,092,451
Total	\$1,065,879	\$935,935	\$129,943	\$225,693	\$95,749	\$1,161,628

(a) Includes \$1,500 effort related to primary clarifier incident (Sandy and John)

(b) Task 7.2: Budget based on 268 RFIs, 285 RFIs responded thru end of December

(c) Task 7.4: Budget based on 289 subs, 315 reviewed thru December

The District is funding a portion of the construction with a low-interest loan from the United States Department of Agriculture (USDA) Rural Development infrastructure program. In accordance with direction from USDA staff and the District's contract with KJ, USDA concurrence with the amendment is required for funding. Staff will work with USDA staff for review of the proposed amendment. From previous coordination, staff assumes USDA staff will want to see Board approval before reviewing contract amendments. Therefore, we request the Board's review of this proposed amendment and conditional approval for the District Administrator to execute the amendment once USDA staff has concurred. Should any comments be received from USDA that would adjust the amendment contents, staff will return to the Board with the update for review.

FISCAL CONSIDERATION:

The recommended contract amendment amount is \$95,749, for a total construction phase services budget of \$1,161,628. This is approximately four percent of the current construction contract amount, consistent with industry standard for ESDC for public works projects. The Project budget and financial plan included a professional services contingency, currently budgeted at approximately \$196,671. Staff recommends reallocating a portion of the professional services contingency to cover this proposed amendment to maintain adequate design engineering services during construction.

Attachments:

Kennedy Jenks Consultants Contract Amendment 6 Request – March 7, 2023

March 7, 2023

Jeremy Ghent P.E.
District Administrator
South San Luis Obispo County Sanitation District
1600 Aloha Place
Oceano, CA 93445

Subject: Kennedy Jenks ESDC Services Budget Status Update and Amendment 6 Request
South San Luis Obispo County Sanitation District Redundancy Project
South San Luis Obispo County Sanitation District

Dear Jeremy,

This letter summarizes the status of the engineering ESDC through the end of December 2022 and incorporates comments to the requested budget revisions sent in February based on project performance to date.

Kennedy Jenks Engineering Services during Construction (ESDC)

The project is in the final months of the 30-month construction schedule and going well. Table 1 summarizes the current ESDC budget and overall status through the end of 2022. Three tasks have required additional effort beyond the contract budgets, primarily to address additional RFIs, submittals and coordination meetings to address project issues (status as of December 2022):

- Task 7.2 RFI (285 RFI responses required vs 268 in contract)
- Task 7.4 Submittal Reviews (315 submittal reviews vs 289 in contract)
- Task 7.5 Coordination Meetings (\$3,023 per month vs \$2,432 in contract)

Table 1. Project Management and ESDC Budget Summary through Dec 2022

Task/Subtask	Budget	Spent thru Dec 2022 (a)	% Spent	% Complete	Remaining
Phase 4 - Workshops, PM, QC					
Task 4.3 - Project Management	\$69,177	\$42,031	61%	80%	\$27,146
Phase 4 - Subtotal	\$69,177	\$42,031	61%	80%	\$27,146
Phase 7 - Office Engineering During Construction					
Task 7.1 - Conformed Drawings	\$17,719	\$17,719	100%	100%	
Task 7.2 - RFIs and Preparing Clarifications (b)	\$256,209	\$302,177	117%	106%	(\$45,968)
Task 7.3 - Preparing RFQs and Responding to COs	\$37,099	\$20,200	54%	54%	\$16,899
Task 7.4 - Submittal Reviews (c)	\$334,200	\$352,809	106%	109%	(\$18,609)
Task 7.5 - Construction, Coord Meetings, Photo Review	\$72,962	\$72,548	99%	80%	\$415
Task 7.6 - Site Visits	\$34,313	\$21,238	62%	62%	\$13,075
Task 7.7 - Record Drawings	\$53,246	\$0	0%	0%	\$53,246
Task 7.8 - Other As-Needed Services	\$51,250	\$14,245	28%	28%	\$37,005
Task 7.9 - Clarifier Condition Assessment	\$18,520	\$7,915	43%	100%	\$10,605
Task 7.10 - Ground Improvements - Observation/Testing	\$121,184	\$85,054	70%	90%	\$36,130
Phase 7 - Subtotal	\$996,702	\$893,904	90%	90%	\$102,797
Total	\$1,065,879	\$935,935	88%	89%	\$129,943

(a) Includes \$1,500 effort related to primary clarifier incident (Sandy and John)

(b) Task 7.2: Budget based on 268 RFIs, 285 RFIs responded thru end of December

(c) Task 7.4: Budget based on 289 subs, 315 reviewed thru December

Estimated Cost to Complete

As we have done throughout the construction phase, we are reporting on the status of ESDC task budgets to make sure the budget continues to be “right sized” for the effort required and provide credits for under-spent tasks that are completed or near completion.

Task 7.2 RFIs and 7.4 Submittals are over budget and Task 7.5 Meeting was exceeded in January. At the same time, Task 7.8 As-Needed Services, Tasks 7.9 Clarifier Condition Assessment and 7.10 Ground Improvements are anticipated to be completed under budget. Remaining tasks are projected to be completed on budget. See further information below.

1. **Task 7.2 – Responding to RFIs and Preparing Clarifications:** The current \$256,209 budget for this task is based on responding to as many as 268 RFIs. Through the end of December, Kennedy Jenks has responded to 285 RFIs (17 additional RFIs) at a total cost through December of \$302,177 (\$45,968 above current budget). The cost per RFI remains low (\$1,060.27 currently vs \$1,047 per RFI prev. estimate), under the initial contracted estimate of \$1,535 per RFI initially budgeted.

In addition to the \$45,968 of current overage, Kennedy Jenks is requesting \$38,170 to respond to an additional 36 RFIs above the December 285 total. The project has been averaging 6 RFIs per month over the past 6 months, including 11 RFIs in December. At that average rate, we anticipate as many as 36 more RFIs through the June 2023 completion date. That would be an additional 53 RFIs added to the contract for a revised total of 321 RFIs, increasing Task 7.2 by \$84,138 to a revised budget of \$340,347.

2. **Task 7.4 Submittal Reviews:** The current \$334,200 budget for this task is based on reviewing as many as 289 submittals and resubmittals. Through the end of December, Kennedy Jenks has reviewed 315 submittals (26 additional submittals) at a total cost through December of \$352,809. (\$18,609 above current budget). The cost per submittal remains low (\$1,120.03 currently vs \$1,106 per submittal prev. estimate), under the initial contracted estimate of \$1,326 submittal initially budgeted.

In addition to the \$18,609 of current overage, Kennedy Jenks is requesting \$26,881 to respond to an additional 24 submittals above the December 315 total. The project has been averaging 8 submittals per month over the past 6 months. We expect that number to begin dropping as the project moves towards the June completion date. Assuming 4 submittals per month, we anticipate as many as 24 more submittals through the June 2023 completion date. That would be an additional 50 submittals added to the contract for a revised total of 339 submittals, increasing Task 7.4 by \$45,489 to a revised budget of \$379,689.

3. **Task 7.5 Construction Meetings, Coordination Meetings, and Photo Review:** The \$72,962 budget for this task is based on up to 322 hours of construction and coordination support at 11 hours per month. Through the end of December, Kennedy Jenks has participated in 346 hours (14 hours or \$3,022.81 per month) with \$415 of budget remaining. We had previously identified this task for possible budget adjustment on a “wait and see” basis.

Kennedy Jenks is requesting \$17,612 to provide up to 14 hours per month of construction and coordination support through the June 23 completion date (6 months). This amount includes the credit for \$415 of budget remaining at the end of December 2022, increasing the revised budget for this task to \$90,574.

4. **Proposed Budget Reductions. Tasks 7.8, 7.9, and 7.10** are projected to be completed under budget and can be adjusted in the future if needed.

Task 7.8 As Needed Services is allocated for District staff to address additional work to keep the project moving forward. A budget reduction of \$32,005 provides a modest \$5,000 of budget remaining for Kennedy Jenks to address unforeseen issues.

Task 7.9 Clarifier Condition Assessment consisted of an on-site visual inspection and report. That work is completed with \$10,605 of remaining budget.

Task 7.10 Ground Improvements is substantially complete, unforeseen slab settlement has been reported. The estimate to complete with \$8,880 of savings provides sufficient budget to cover remaining Yeh contract services and approximately \$9,000 of related KJ services.

Table 2 summarizes the Amendment 6 request of \$95,749 consisting of additional budgets for Tasks 7.2, 7.4 and 7.5 and reduction of budgets for Tasks 7.8, 7.9 and 7.10. Estimated effort is based on June 2023 construction completion.

Table 2. Cost to Complete Estimate and Amendment 6 Request for ESDC Budget Effort

Task/Subtask	Budget	Spent thru Dec 2022 (a)	Remaining	Est Cost to Complete	Amd 6 Request	Budget with Amd 6
Phase 4 - Workshops, PM, QC						
Task 4.3 - Project Management	\$69,177	\$42,031	\$27,146	\$27,146	\$0	\$69,177
Phase 4 - Subtotal	\$69,177	\$42,031	\$27,146	\$27,146	\$0	\$69,177
Phase 7 - Office Engineering During Construction						
Task 7.1 - Conformed Drawings	\$17,719	\$17,719		\$0		\$17,719
Task 7.2 - RFIs and Preparing Clarifications (b)	\$256,209	\$302,177	(\$45,968)	\$0	\$45,968	\$340,347
53 Add't RFIs (total 321)				\$38,170	\$38,170	
Task 7.3 - Preparing RFQs and Responding to COs	\$37,099	\$20,200	\$16,899	\$16,899	\$0	\$37,099
Task 7.4 - Submittal Reviews (c)	\$334,200	\$352,809	(\$18,609)		\$18,609	\$379,689
50 Add't Submittals (total 339)				\$26,881	\$26,881	
Task 7.5 - Construction, Coord Meetings, Photo Review	\$72,962	\$72,548	\$415	\$18,027	\$17,612	\$90,574
Task 7.6 - Site Visits	\$34,313	\$21,238	\$13,075	\$13,075	\$0	\$34,313
Task 7.7 - Record Drawings	\$53,246	\$0	\$53,246	\$53,246	\$0	\$53,246
Task 7.8 - Other As-Needed Services	\$51,250	\$14,245	\$37,005	\$5,000	(\$32,005)	\$19,245
Task 7.9 - Clarifier Condition Assessment	\$18,520	\$7,915	\$10,605	\$0	(\$10,605)	\$7,915
Task 7.10 - Ground Improvements - Observation/Testing	\$121,184	\$85,054	\$36,130	\$27,250	(\$8,880)	\$112,304
Phase 7 - Subtotal	\$996,702	\$893,904	\$102,797	\$198,547	\$95,749	\$1,092,451
Total	\$1,065,879	\$935,935	\$129,943	\$225,693	\$95,749	\$1,161,628

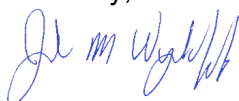
(a) Includes \$1,500 effort related to primary clarifier incident (Sandy and John)

(b) Task 7.2: Budget based on 268 RFIs, 285 RFIs responded thru end of December

(c) Task 7.4: Budget based on 289 subs, 315 reviewed thru December

Kennedy Jenks appreciates our relationship with the South San Luis Obispo County Sanitation District and looks forward to continuing to support the completion of the WWTP Redundancy Project.

Sincerely,



John Wyckoff
 Vice President



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SANITATION DISTRICT**

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STAFF REPORT

To: Board of Directors
From: Jeremy Ghent, District Administrator
Via: Amy Simpson, District Bookkeeper/Secretary
Date: April 5, 2023

Subject: FISCAL YEAR 2022/23 MID-YEAR (Q2) BUDGET REVIEW.

RECOMMENDATION:

It is recommended the Board:

1. Receive and File the Mid-Year Budget Review

EXECUTIVE SUMMARY:

To evaluate the financial health of the District, staff undertakes quarterly reviews of the District's budget and compares performance to actual expenses. This review is done to understand the District's financial health and ensure that revenues continue to cover routine plant operations, maintenance, capital expansion, and debt payments.

The District's actual Q2 financial results will be compared to total budget (See Tables 1 and 2). The target for expenditures is generally calculated as fifty percent (50%) of the FY 2022-23 Budget and represents the 6-month period from July 2022 through December 2022. This staff report provides staffs' review to both revenues and expenditures. At the end of the second quarter, FY 2022-23 revenues were 10.86 million, or 50% of the Budget Target (Table No 1).

Expenditures were \$6.55 million, or 30% of the Budget Target (Table No. 2). It is unlikely that the District will reach 100% expenses for FY 2022-23. This is mostly attributed to the \$3,003,453 of remaining redundancy contingency at mid-year. While these funds are necessary to be budgeted, it is unlikely that they will be fully consumed this fiscal year or at all.

REVENUE

District revenue received at the end of the second quarter is \$10.86 million or 50% received. The District has four revenue sources consisting of 1) Service Charges and Fees, 2) Interest, 3) Brine Revenue, 4) Connection Revenue. A summary of revenue by Fund is detailed in Table No. 1 below. Staff anticipates revenues to meet projections.

In addition to revenues, the District is drawing down designated Redundancy bond funding. While not technically a revenue, the Redundancy draw-down is tracked similarly to revenue for accounting purposes.

Table No. 1 – Revenues

	FY 2022/23 Budget	Received as of 12.31.2022		Recommended Q2 Adjustment	Recommended Budget at Q2
		Amount	Percent		
Operating Fund	\$ 5,863,700	3,019,959	52%		\$ 5,863,700
Expansion Fund	\$ 15,682,000	7,840,579	50%		\$ 15,682,000
Replacement Fund	\$ -	-			\$ -
Total	\$ 21,545,700	10,860,538	50%		\$ 21,545,700

At the end of the second quarter the unmodified budget shows overall District anticipated revenues are 50% collected. Staff expects to receive 100% of our anticipated 2022-23 revenues.

EXPENDITURES

Total District expenditures at the end of the second quarter stand at \$6,555,024 or 30% of projected expenditures. A large portion of expense is related to the Redundancy Project, \$3,805,111. There are currently two projects in Expansion 20, the Redundancy Project and the SCADA upgrade. A summary of expenditures by Fund is detailed in Table No. 2 below. As mentioned above in the Executive Summary, the large remaining contingency is currently not anticipated to be fully utilized. This will likely result in expenditures remaining below District budget.

Table No. 2 – Expenditures

	FY 2022/23 Budget	Expended as of 12.31.2022		Recommended Q2 Adjustment	Recommended Budget at Q2
		Amount	Percent		
					\$ -
Operating Fund	\$ 5,863,700	2,632,013	45%		\$ 4,843,700
Expansion Fund	\$ 15,682,000	3,878,603	25%		\$ 15,682,000
Replacement Fund	\$ 1,020,000	44,408	4%		\$ 1,020,000
Total	\$ 21,545,700	6,555,024	30%		\$ 21,545,700

SUBACCOUNTS EXCEEDING 60% NOT REQUIRING ADJUSTMENT:

Staff reviewed the operation subaccounts for financial health. Staff review indicated that the five accounts that were above 60% at second quarter remain adequately budgeted and will not need increases. Not all expenses are incurred in a straight-line annually. The five noted accounts; Employee Benefits and Other Personnel Costs, LAFCO Budget Share, Zone 1/1A Agreement, Materials, Services and Supplies, and Debt Service are subject to annual lump-sum or irregular payments.

Materials, Services and Supplies is at 84% The high expense is due to a one-time seasonal delivery of diesel fuel and price increases to both fuel and plant chemicals. Staff will be monitoring this account. The SCADA Upgrade budget utilization is at 90% but is reflective of the percent complete.

SUMMARY OF DISTRICT ACCOUNTS

Balance Summary @ 12.31.2022						
	19-Operating		20-Capital Expansion		26-Capital Replacement	Total
Cash at 12.31.2022	\$ 4,834,656		\$ 11,526,933		\$ 740,221	\$ 17,101,809

SUMMARY

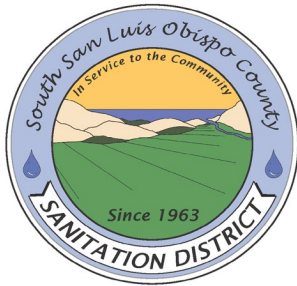
The District's financial status at Mid-Year is on target. Currently, there are no foreseen needs for budget increases in FY 2022/23. The potential risk for budget increases in future quarters would be tied to the construction of the Redundancy Project, sudden equipment failures, and continued increases to fuel and chemical costs.

Attachment:

Fiscal Year 2022/23 Consolidated Budget at Mid-Year

FISCAL YEAR 2022/23 CONSOLIDATED BUDGET AT MID-YEAR

	Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Adopted 2022/23 Budget	Q2 Actuals FY 2022/23	Q2 Percentages
Revenues						
Service Charges and Fees	5,666,700	-	-	5,666,700	2,850,148	50%
Connection Fees	-	76,000	-	76,000	26,804	35%
Interest	100,000	6,000	-	106,000	109,996	104%
Use of Redundancy Funding	-	15,600,000	-	15,600,000	7,800,000	50%
Brine Revenue	97,000	-	-	97,000	73,590	76%
Total Revenues	5,863,700	15,682,000	-	21,545,700	10,860,538	50%
Expenditures & Other Uses						
Operating Expenditures				-		
Salaries and Wages	981,000	-	-	981,000	496,031	51%
Employee Benefits and Other Personnel Costs	592,000	-	-	592,000	373,570	63%
Permits, Fees and Licenses	64,000	-	-	64,000	33,122	52%
Communications	17,000	-	-	17,000	7,170	42%
Administrative Costs	271,000	-	-	271,000	124,740	46%
Legal Costs	60,000	-	-	60,000	16,708	28%
Engineering	150,000	-	-	150,000	-	0%
Coastal Hazards & Monitoring	60,000	-	-	60,000	22,027	37%
LAFCO Budget Share	18,000	-	-	18,000	16,535	92%
Zone 1/1A Agreement	34,000	-	-	34,000	34,821	102%
Agency Billing	64,000	-	-	64,000	36,646	57%
Disposal Services	63,000	-	-	63,000	38,041	60%
Utilities	372,000	-	-	372,000	199,459	54%
Maintenance, Tools & Replacements	387,500	-	-	387,500	138,621	36%
Materials, Services and Supplies	425,000	-	-	425,000	355,325	84%
Training, Education & Memberships	48,500	-	-	48,500	16,330	34%
Total Operating Expenditures	3,607,000	-	-	3,607,000	1,909,145	53%
Total Other Charges						
Debt Service	1,040,500	-	-	1,040,500	717,547	69%
Total Other Charges	1,040,500	-	-	1,040,500	717,547	69%
Capital Outlay						
Capital Replacement/Maintenance (Fund 26)	-	-	1,020,000	1,020,000	44,408	4%
Capital Equipment	13,000	15,865,200	-	15,878,200	3,883,924	24%
Total Capital Outlay	13,000	15,865,200	1,020,000	16,898,200	3,928,332	23%
Other Financing Sources & Uses						
Transfers Out/In Fund 26	1,020,000	-	(1,020,000)	-	-	
Transfers Out/In Fund 20	183,200	(183,200)	-	-	-	
Total Other Financing Sources & Uses	1,203,200	(183,200)	(1,020,000)	-	-	
Total Funding Source						
Total Funding Source	5,863,700	15,682,000	-	21,545,700	10,860,538	50%
Total Expense	5,863,700	15,682,000	-	21,545,700	6,555,024	30%
Net Change (Deficit)	-	-	-	-	4,305,514	



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STAFF REPORT

To: Board of Directors

From: Jeremy Ghent, District Administrator; Mychal Jones, Plant Superintendent

Date: April 5, 2023

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:

- *As of tonight's meeting, there are 100 Days remaining on the contract.*
- *Project is currently 89% complete on duration.*
- *Project is currently 88% complete on expenses.*
- *Minor material delays and supply chain issues continue without major impacts to schedule.*
- *Project remains on schedule and within budget.*

Misc:

- *District has coordinated operations through our 3rd flood evacuation order of the year.*
- *Staff remained on-site and monitored operations.*
- *Plant processes were not disrupted and there were no spills or violations from the winter storm events.*
- *Meeting schedule for the remainder of FY 22/23 will be as follows.*
 - *May 3rd*
 - *May 17th*
 - *June 7th CANCELLED*
 - *June 21st*

Plant Tours:

- *Grover Beach Director Karen Bright and alternate Clint Weirick are scheduled to tour the plant and construction on April 7th*
- *Oceano Director Linda Austin and OCSD Board Member Shirley Gibson are actively scheduling a visit to the treatment plant at a future date in April.*

Tentative Items:

- *Proposal for Implementation of Cogeneration Project (May 3)*
- *Review of Personnel Policy Manual (May 3)*
- *Draft Budget (May 17)*
- *Final Budget (June 21)*

Plant Operations Report

During the reporting period of March 1st – March 29th there were no violations of the District's National Pollutant Discharge Elimination System (NPDES) Permit to report. All process values were within Permit limitations.

Monthly Plant Data for March 2023

March 2023	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/100 mL	Chlorine Usage lbs/day
Low	2.17	3.1	437	17.0		413	10.4		<1.8	250
High	4.32	7.4	738	24.2		587	21.8		7.8	500
March 2023 AVG	2.68	3.94	529	19.4	96.3	511	17.4	96.6	3	376
March 2022 AVG	2.14	3.28	559	24.6	95.6	525	21.4	95.9	18.7	193
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

Operation and Maintenance Tasks

- Check and mark underground service alerts
- Empty/pump out ferric containment totes
- Drain rainwater accumulation from chemical tank containments
- Work with contractor on shutdown of Primary Clarifier #2 for skimmer repair and installation of new baffle section. Bring Primary Clarifier #2 back online once repair is completed
- Prepare Andritz centrifuge for vendor maintenance: partial disassembly of equipment, staging work area for accessibility to equipment
- Work with Andritz technicians for service on centrifuge
- Prepare drying beds for use while maintenance is being conducted on Andritz centrifuge
- Maintain cleanliness standards throughout shop
- Calibration of chemical dosing pumps throughout plant
- Pressure checks refurbished chemical lines

Work Orders Completed

- FFR VFD maintenance
- Algae control at all Clarifiers
- FFR maintenance: take oil sample, clean distributor arm orifices, clean netting
- Amiad filter maintenance
- De-rag Primary Clarifier sludge pumps
- Test run Emergency Generator and Emergency Bypass Pump
- Annual Emergency Generator maintenance
- Annual Boiler Maintenance by ERC

Preventative Maintenance

- Inspection and cleaning of Digester vacuum/pressure relief valves
- Replace desiccators in equipment control panels

- Plant carts
- 6-inch trash pump
- Water Champ flash mixer

Call Outs

There were no call outs during this reporting period.

2023 Non-Serious Violations

- **February 15, 2023** – Daily Maximum Fecal Coliform
This exceedance expires August 14, 2023.
- **February 21, 2023** – Daily Maximum Fecal Coliform
This exceedance expires August 20, 2023.

Non-serious (also known as chronic) violations are subject to a mandatory minimum penalty of \$3,000 each when four or more occur in any period of six consecutive months (period commencing on the date that one of the violations occurs and ending 180 days after that date). The first three violations in that period are not assessed a mandatory minimum penalty.

Staff



