

**SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT**

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

**AGENDA  
BOARD OF DIRECTORS MEETING  
Arroyo Grande Council Chambers,  
212 East Branch Street,  
Arroyo Grande, California 93420**

**Wednesday, May 3, 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 April 5, 2023**

**6. ACTION ITEMS:**

**6A. PUBLIC HEARING TO ADOPT A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT BOARD OF DIRECTORS MAKING CERTAIN FINDINGS WITH RESPECT TO THE COGENERATION REVITALIZATION PROJECT.**

Recommendation: Adopt Resolution 2023-446 authorizing the District Administrator to execute a contract for implementation of WWTP Cogeneration Revitalization Project with PG&E/Southland in the amount of \$163,000.

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

Recommendation: Receive and File.

**7. BOARD MEMBER COMMUNICATIONS:**

**8. ADJOURNMENT**

The next regularly scheduled Board Meeting is May 17, 2023, 6:00 pm at the Arroyo Grande Council Chambers, 212 E. Branch Street, Arroyo Grande, California 93420

WARRANT REGISTER  
5/3/2023  
FISCAL YEAR 2022/23

| VENDOR                   | BUDGET LINE ITEM      | DETAIL              | WARRANT NO. | ACCT    | ACCT BRKDN        | TOTAL             |
|--------------------------|-----------------------|---------------------|-------------|---------|-------------------|-------------------|
| ALLIED ADMINISTRATORS    | DENTAL                | MAY 2023            | 040523-6736 | 6025    | 922.58            | 922.58            |
| ARAMARK                  | EMPLOYEE UNIFORMS     | 03/20; 03/27; 04/03 | 6737        | 7025    | 1,262.05          | 1,262.05          |
| BRENNTAG                 | PLANT CHEMICALS       | MULTIPLE            | 6738        | 8050    | 44,289.84         | 44,289.84         |
| CHARTER COMMUNICATIONS   | COMMUNICATIONS        | 03/29/23-04/28/23   | 6739        | 7013    | 319.96            | 319.96            |
| CITY OF GROVER BEACH     | AGENCY BILLING        | APRIL 2023          | 6740        | 7081    | 1,905.75          | 1,905.75          |
| COASTAL ROLLOFF SERVICES | RUBBISH               | MARCH 2023          | 6741        | 7093    | 1,284.40          | 1,284.40          |
| CULLIGAN CCWT            | RENTAL EQUIPMENT      | 80303               | 6742        | 7032    | 60.00             | 60.00             |
| ELECTRICRAFT             | SCADA                 | 17654               | 6743        | 20-7060 | 10,758.96         | 10,758.96         |
| ENERGY RESOURCES CORP    | EQUIPMENT MAINTENANCE | 37909               | 6744        | 8030    | 4,717.57          | 4,717.57          |
| EVERYWHERE RIGHT NOW     | COMPUTER SUPPORT      | APRIL 2023          | 6745        | 7082    | 100.00            | 100.00            |
| GSOLUTIONZ               | COMMUNICATIONS        | MAY 2023            | 6746        | 7013    | 72.95             | 72.95             |
| I.I. SUPPLY              | SAFETY                | 90623               | 6747        | 8056    | 381.79            | 381.79            |
|                          | EQUIPMENT MAINTENANCE | 90384; 90385        |             | 8030    | 365.45            | 365.45            |
| JB DEWAR                 | FUEL                  | 175251              | 6748        | 8020    | 149.03            | 149.03            |
| JR FILANC                | REDUNDANCY            | APPLICATION 23      | 6749        | 20-7080 | 301,244.78        | 301,244.78        |
| KENNEDY JENKS            | REDUNDANCY            | 162133              | 6750        | 20-7080 | 19,807.50         | 19,807.50         |
| LARRY WALKER ASSOCIATES  | PRETREATMENT          | 00667.01-17         | 6751        | 8015    | 622.50            | 622.50            |
| LINDE GAS & EQUIP        | RENTAL EQUIPMENT      | 34867774            | 6752        | 7032    | 41.96             | 41.96             |
| MICHAEL K NUNLEY         | REDUNDANCY            | 102276              | 6753        | 20-7080 | 8,810.37          | 9,580.30          |
|                          | CENTRAL COAST BLUE    | 102277              |             | 7077    | 769.93            |                   |
| MINERS HARDWARE          | EQUIPMENT MAINTENANCE | MARCH 2023          | 6754        | 8030    | 229.50            | 229.50            |
| MNS                      | REDUNDANCY            | 82630               | 6755        | 20-7080 | 62,770.55         | 62,770.55         |
| NBS                      | AGENCY BILLING        | 202303-1539         | 6756        | 7074    | 1,656.00          | 1,656.00          |
| NVIRO                    | SCADA                 | 2699                | 6757        | 20-7060 | 200.00            | 200.00            |
| OCSD                     | WATER                 | 01/18/23-03/18/23   | 6758        | 7094    | 491.93            | 491.93            |
| OEI, INC                 | CHEMICAL ANALYSIS     | MULTIPLE            | 6759        | 7078    | 904.00            | 904.00            |
| POLYDYNE                 | PLANT CHEMICALS       | 1724738             | 6760        | 8050    | 12,025.41         | 12,025.41         |
| READY REFRESH            | ADMIN OFFICE          | 02/25/23-03/24/23   | 6761        | 8045    | 171.88            | 171.88            |
| REGIONAL GOVT. SERVICES  | HUMAN RESOURCES       | 14699               | 6762        | 7076    | 3,669.31          | 3,669.31          |
| SAN LUIS POWERHOUSE      | EQUIPMENT MAINTENANCE | 49017               | 6763        | 8030    | 1,733.34          | 1,733.34          |
| SO CAL GAS               | UTILITY GAS           | 03/02/23-03/31/23   | 6764        | 7092    | 4,157.75          | 4,157.75          |
| SOUTH COUNTY SANITARY    | RUBBISH               | APRIL 2023          | 6765        | 7093    | 368.99            | 368.99            |
| SOUTHPAW SIGN COMPANY    | STRUCTURE MAINTENANCE | 3574                | 6766        | 8061    | 916.99            | 916.99            |
| SSLOCSD                  | EMPLOYEE BENEFITS     | MARCH 2023          | 6767        |         | 110,784.64        | 110,784.64        |
| UMPQUA BANK              | CREDIT CARD           | MARCH 2023          | 6768        |         | 4,385.19          | 4,385.19          |
| VWR INTERNATIONAL        | LAB SUPPLY'S          | 2023-192            | 6769        | 8040    | 327.97            | 327.97            |
| AGP VIDEO                | PROFESSIONAL SERVICE  | MARCH 1, 2023       | 041723-6770 | 7080    | 650.00            | 650.00            |
| ARAMARK                  | EMPLOYEE UNIFORMS     | 04/10/23            | 6771        | 7025    | 417.92            | 417.92            |
| ATT FIRST NET            | COMMUNICATIONS        | 03/03/23-04/02/23   | 6772        | 7013    | 80.48             | 80.48             |
| CALPORTLAND CONSTRUCTION | EQUIPMENT MAINTENANCE | MULTIPLE            | 6773        | 8030    | 1,507.29          | 1,507.29          |
| ENGEL & GRAY             | BIOSOLIDS HANDLING    | MARCH 2023          | 6774        | 7085    | 6,729.21          | 6,729.21          |
| ERIKA FROST              | TRAINING              | CWEA AC 2023        | 6775        | 7067    | 282.00            | 282.00            |
| JB DEWAR                 | FUEL                  | 239480              | 6776        | 8020    | 1,205.54          | 1,205.54          |
| MCMaster CARR            | EQUIPMENT MAINTENANCE | MULTIPLE            | 6777        | 8030    | 335.00            | 335.00            |
| PERC WATER               | REDUNDANCY            | 5983                | 6778        | 20-7080 | 864.00            | 864.00            |
| PETROLEUM SOLIDS         | EQUIPMENT MAINTENANCE | 40016               | 6779        | 8030    | 5,178.50          | 5,178.50          |
| SAFETY KLEEN             | CHEMICAL ANALYSIS     | 91334213            | 6780        | 7078    | 268.18            | 268.18            |
| SPRINT                   | COMMUNICATIONS        | 03/04/23-04/03/23   | 6781        | 7014    | 102.33            | 102.33            |
| USA BLUEBOOK             | EQUIPMENT MAINTENANCE | 327510              | 6782        | 8030    | 157.72            | 157.72            |
| VWR INTERNATIONAL        | LAB SUPPLY'S          | 2023-192            | 6783        | 8040    | 104.06            | 104.06            |
| WW GRAINGER              | EQUIPMENT MAINTENANCE | 9657709656          | 6784        | 8030    | 212.38            | 212.38            |
| <b>TOTAL</b>             |                       |                     |             |         | <b>619,852.85</b> | <b>619,852.85</b> |

We hereby certify that the demands numbered serially from 040523-6736 to 041723-6784 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, April 5, 2023**

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

Vice Chair Karen Bright called the meeting to order and recognized a quorum.

Present: 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 March 1, 2023**

There was no public comment.

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

**Second:** Director Bright

**Action:** Approved unanimously by voice vote.

## 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.

District Engineer Eileen Shields from MKN & Associates presented this report. The request is based on increased efforts required to coordinate meetings and to review and respond to Requests for Information (RFIs) and construction submittals.

There was no public comment.

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

**Second:** Director Bright

**Action:** Approved unanimously by roll call vote.

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

The Board received the report in a PowerPoint presentation and thanked staff for their efforts. At Mid-Year the District has received 50% of anticipated revenues and has expended 30% of projected expenses.

There was no public comment.

**Action:** The Board received and filed the Fiscal Year 2022/23 Mid-Year (Q2) Budget Review.

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

Administrator Ghent presented the District Administrator Report. He reported that the Redundancy Project is 89% complete on duration and 88% complete on expenses. He commended staff for seeing the plant through 3 flood evacuation orders with no interruptions, spills or violations from the winter storm events. He announced that there will be meetings on May 3<sup>rd</sup> and 17<sup>th</sup>. The June 7<sup>th</sup> meeting will be cancelled and there will be a meeting June 21<sup>st</sup>.

Superintendent Jones presented the Operations Report and said during the reporting period of March 1<sup>st</sup> – March 29<sup>th</sup> there were no violations of the District's National Pollutant Discharge Elimination System (NPDES) Permit to report. All process values were within Permit limitations.

There was no public comment.

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

**7. BOARD MEMBER COMMUNICATIONS**

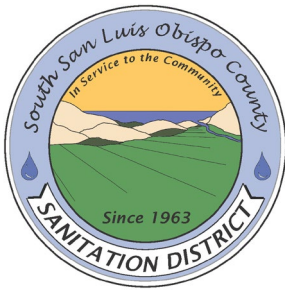
None

**8. ADJOURNMENT:**

6:33 p.m.

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

DRAFT



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### **STAFF REPORT**

**To:** Board of Directors

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

**Date:** May 3, 2023

**Subject:** **PUBLIC HEARING TO ADOPT A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT BOARD OF DIRECTORS MAKING CERTAIN FINDINGS WITH RESPECT TO THE COGENERATION REVITALIZATION PROJECT.**

### **RECOMMENDATION:**

Adopt Resolution 2023-446 authorizing the District Administrator to execute a contract for implementation of WWTP Cogeneration Revitalization Project with PG&E/Southland in the amount of \$163,000.

### **BACKGROUND AND DISCUSSION:**

The South San Luis Obispo County Sanitation District (SSLOCSD) and the PG&E Sustainable Solutions Turnkey (SST) Program began investigation of the existing cogeneration system at the wastewater treatment plant (WWTP) in late 2016. The results at the time of the preliminary assessment indicated that revitalization of the cogeneration system was viable and would provide **economic and environmental value** to the District.

Based on the preliminary evaluation of conditions at the time (plant equipment and operations, gas production, plant electric load and existing utility tariff options), it was estimated that a properly functioning system could offset approximately 80% of the plant's electricity needs.

For the purposes of this proposal, we have revised our initial assessment to account for current conditions relative to plant operations, energy consumption, utility tariffs and the overall market condition for construction. Based on this revised assessment, we estimate the turnkey implementation cost for a cogeneration project at the SSLOCSD WWTP, utilizing a 190 kW cogeneration system, is \$3,110,000. In addition, we estimate that the cogeneration system will reduce electric utility cost by \$183,000 per year (after the plant's Redundancy Upgrade) and natural gas cost by \$38,000 per year. The estimated utility cost savings would pay for PG&E's implementation cost in approximately 14 years.

It is important to note that the overall construction market has experienced dramatic cost increases due to many factors associated with the pandemic. Factors that have put upward pressure on construction costs include general inflation, equipment and material shortages, long and unpredictable lead times, a tight labor market and an above average level of construction demand.

The estimated turnkey construction cost reflected in this proposal has been developed to appropriately account for both the marketplace risk reflected above as well as the risk associated with unknown conditions at the plant. Following completion of the Investment Grade Audit, risks will be fully assessed and reflected in the firm fixed implementation proposal.

It is also important to note the Federal Inflation Reduction Act (IRA) has authorized incentives for projects that address energy and carbon reduction. Initial Federal guidance indicates that this project could be qualified for some level of funding from that program. Project qualification and potential funding will be evaluated in the Investment Grade Audit (IGA) phase.

### The SST Program

The SST Program was developed by PG&E to assist customers in implementing projects that reduce energy consumption, improve operations and lower utility and other operating costs. The Program delivers an end-to-end turnkey solution for project development, procurement, implementation and funding through a simple and defined process. Through this process the District has complete control over solution development and equipment selection with clear transition points between each defined phase. The District has no obligation to implement a project until the final cost proposal is submitted and approved.



### Investment Grade Audit (IGA)

The Investment Grade Audit is intended to validate the technical, energy and cost estimates identified during preliminary assessment. The services required to complete the IGA are defined in the Scope of Work below. Following completion of the IGA, the District will be provided a firm-fixed cost proposal for turnkey implementation of the project which would then be subject to District approval, including approval by the District Board.

## **SCOPE OF WORK**

### **Overview**

The South San Luis Obispo County Sanitation District has engaged the Pacific Gas & Electric (PG&E) Sustainable Solutions Turnkey (SST) Program to replace its cogeneration system. This proposal focuses on the proposed work required to assess the appropriate mechanical and electrical design for the cogeneration system and all its required sub-systems. The outcome of this work will be a fixed-price final proposal for a cogeneration system which will offset plant electrical and heating requirements by utilizing the available biogas resource which is currently being flared by the plant.

## Existing Conditions

The South San Luis Obispo County Wastewater Treatment Plant (Plant) treats the waste streams from the communities of Oceano, Arroyo Grande, and Grover Beach. The plant is permitted to treat a peak dry weather flow of 5.0 million gallons per day (MGD). Treatment of waste at the plant requires a combination of mechanical, chemical and biological processes, each requiring a significant amount of energy. Based on data for 2021 through 2022, the plant used an average of 1,424,342 kWh of electricity each of the last two years with a peak demand of 233 kW, resulting in an average annual electric operating cost of approximately \$268,000. However, the plant's electric energy use and cost will be increasing in the near future as the new systems from the Redundancy Upgrade project are put into service. Based on design information for the upgrade project, we estimate that the plant's electrical use and cost will increase to approximately 2,220,000 kWh and \$493,000 per year (using the rate effective in January 2023).

Additionally, the plant uses natural gas from So Cal Gas for digester sludge heating, as well as space heating and hot water for the Control Building. The plant's natural gas bills for the period of 1/2/2021 – 1/3/2023 show average annual use of 35,156 therms and average cost of \$48,171 per year. Based on input from plant staff, we have assumed that 90% of the plant's natural gas use is for digester sludge heating which results in 31,640 therms and \$43,354 per year for digester heating. Based on available data, we anticipate that most of the energy needed for digester sludge heating can be provided by the heat recovered from a cogeneration system.

PG&E visited the site on several occasions and completed a thorough energy survey of plant operations and maintenance. Our findings indicate that plant staff have been very diligent in their operations, maintenance and equipment selection such that current plant operations are extremely energy efficient. One outstanding issue is that the plant currently flares all of the biogas produced from anaerobic digestion. As a powerful greenhouse gas (GHG), biogas is closely monitored, may not be released directly into the environment, and must be disposed of in an approved manner. Flaring and use in the boiler are the only approved disposal methods currently available to plant staff.

In 2009, the District procured a cogeneration system. That system was intended to use the excess biogas at the plant to generate electricity and provide the heat needed by the anaerobic digesters. While that system initially provided at least a portion of the intended results, it has not operated since 2012. Following investigations by District staff and qualified independent engineers, the following is a summary of the factors contributing to poor performance and ultimate system failure:

- **Inadequate gas treatment.** The combustion of siloxanes, water and other biogas constituents led to compromised performance, reduced energy output and eventually, engine failure. Additionally, it was determined that the installed blower was incapable of providing the gas volume/supply required for proper operation.
- **Ineffective heat management.** Excessive temperatures for intake fuel/air, engine, and potentially exhaust (due to system fouling) contributed to poor performance and/or premature failure.
- **Mis-configured equipment.** The “system” was made up of various components, independently designed and manufactured and then “pieced together” on-site to create a solution. Specifically, the system included the installation of a 10-year-old electric motor – represented as new – which was undersized for the intended output. This method of construction resulted in an installed system that was very difficult to commission, optimize, and troubleshoot, and almost certainly ensured the system would not perform as

expected. This method also meant that no single manufacturer was responsible for system performance

- **Excessive maintenance and premature failure.** Among other system deficiencies, high intake air temperature and siloxane breakthrough were identified as primary contributors to high maintenance requirements, poor performance and premature failure.

It should be noted that neither the performance nor training level of Plant staff were identified as contributing factors to system failure. Following review of the situation by our engineers, PG&E concurs with the findings outlined above.

## **Solution**

PG&E recommends replacing the non-operational cogeneration system at the plant. This system would be designed specifically for the plant's current configuration, gas flows and characteristics. The delivered system would include all equipment, materials and site modifications necessary for a complete and fully functional system, including the following major sub-systems:

- Biogas Treatment
- Fuel Intake/Compression
- Engine/generator Genset
- Heat Recovery and Management (exchangers, radiators, etc)
- Noise Suppression
- Electrical Interconnection and Protections
- Wiring, piping, concrete and other required infrastructure
- Controls for engine, generator and related auxiliary systems.
- Integration of cogen heat recovery system with the digester sludge heating hot water system.

It is important to note that all components and sub-systems for the combined heat and power system will be sourced from one manufacturer who will bear full responsibility to manufacture, assemble, test, commission and otherwise ensure performance of the entire system prior to delivery to the plant. If the system fails to perform as specified, it will not be approved for shipment.

As a part of the final firm fixed price, PG&E will provide engineering, design, permitting, equipment submittals and financial analysis required to properly design and select the appropriate system for the plant. This effort will be developed through a collaborative process and closely coordinated with District staff. Staff input from operations, maintenance and administration will be actively solicited and considered throughout the process.

PG&E will conduct a competitive selection process of qualified equipment/systems and installation contractors, including the request to provide reference installations demonstrating successfully operating systems. Site visits for District staff will be arranged as appropriate. In close collaboration with District staff, PG&E will use "best-value" selection to ensure a cost-effective procurement of the most qualified options available in the market.

After development of the final pricing and acceptance by the District, PG&E will furnish, install and commission the complete and properly functioning system including PM/CM throughout the

project. Following installation and commissioning, PG&E will provide all training and documentation required for the successful operation and maintenance of the installed system.

### **Post-Installation Maintenance**

Following commissioning, acceptance and staff training, the ongoing operations and maintenance of the installed system is typically a shared responsibility between the owner (District) and the selected vendor. Vendors offer service options that allow the owner to select the amount of the service obligation they want to retain “in-house” and the amount they want to “outsource” to the vendor through a service agreement. The allocation of this responsibility is generally based on the customer’s capabilities and available manpower. PG&E will work with District staff to evaluate the available maintenance options and assist in determining the appropriate level of service required from the vendor. The District would then enter into an agreement directly with the vendor for the provision of service.

### **Development Scope of Work**

PG&E will complete the following scope of work in finalizing its assessment of the cogeneration system and preparation of a final fixed price proposal for turnkey replacement.

#### **Utility Analysis**

- a. Prepare a utility analysis of the existing plant electric and natural gas consumption.
- b. Project future use and cost with the proposed redundancy upgrade project.
- c. Evaluate applicable alternative PG&E Tariffs.
- d. Validate marginal cost benefit of cogeneration system production under the most favorable PG&E tariff structure.

#### **Digester Gas Assessment**

- e. Verify Biogas Flows and Pressure
  - i. Detailed evaluation of biogas flow and pressure measurement data from the plant’s SCADA system.
  - ii. Assessment of gas production changes resulting from the Redundancy Upgrade project.
- f. Gas Composition Assessment
  - i. Analyze gas samples for energy content (Btu/scf)
  - ii. Analyze gas samples for harmful chemical contaminants and utilize in the assessment of gas cleaning requirements.

#### **Engineering**

- g. Prepare drawings and specifications as required to fully describe the proposed scope of work and construction approach to define a fixed project cost. This will include as required:
  - i. Mechanical
  - ii. Electrical
  - iii. Structural / Civil
  - iv. Controls
- h. Determine all permitting requirements
  - i. Air Pollution Control District (APCD)

- ii. Building / Construction
- iii. PG&E Rule 21 Electrical Interconnection ATO
- iv. State Water Resources Control Board, if required
- v. Determine costs for all required permitting.
- i. Develop requirements for SCADA integration with existing plant control system.

#### **Equipment Supplier Selection**

- j. Cogeneration System
  - i. Engine Generator Package
  - ii. Gas Cleaning System
  - iii. Electrical / Interconnection
- k. Balance of Plant
- l. Reference Projects/Site Visits

**Develop Installation Pricing** for all systems based on engineering documents prepared in scope above.

#### **Post-Installation Maintenance**

- m. Evaluate available options for post-installation maintenance for review and consultation with District staff.
- n. District will contract directly with provider at the level appropriate for plant capabilities and staffing levels

#### **Rebates and Incentives**

- o. Determine availability of California Self-Generation Incentive Program Funding (SGIP) or other incentive(s) (Incentive acquisition to be completed during final design and construction.)

#### **Deliver Final Fixed Price Proposal including:**

- p. Detailed Scope of Work
- q. Engineering Design Basis
- r. Installation Schedule Reflecting Equipment Lead Times

#### **FISCAL CONSIDERATION:**

The cost for the services reflected in this proposal is \$163,000.

#### **Procurement Authority**

The State of California has established ambitious statewide carbon reduction goals. In support of those goals, the State has enacted a variety of initiatives and legislation that both promote and authorize processes that streamline the implementation of qualifying energy-saving projects. One such legislation is California Government Code 4217.10 – 4217.18. This code defines the conditions under which a public entity can procure and implement energy projects with greater flexibility than typically provided for public works construction. Simplified, the code allows this procurement method when the estimated energy cost savings exceed the costs of the upgrade. Subject to validation by District Counsel, and approval by the Board, the development and delivery of the project through the SST Program is compliant with both the letter and spirit of 4217. We

therefore suggest that the Board approve the end-to-end “process”. The approval/resolution would authorize both the completion of the IGA and the subsequent implementation of the work – subject to Board approval of final project cost and any related funding.

#### Funding

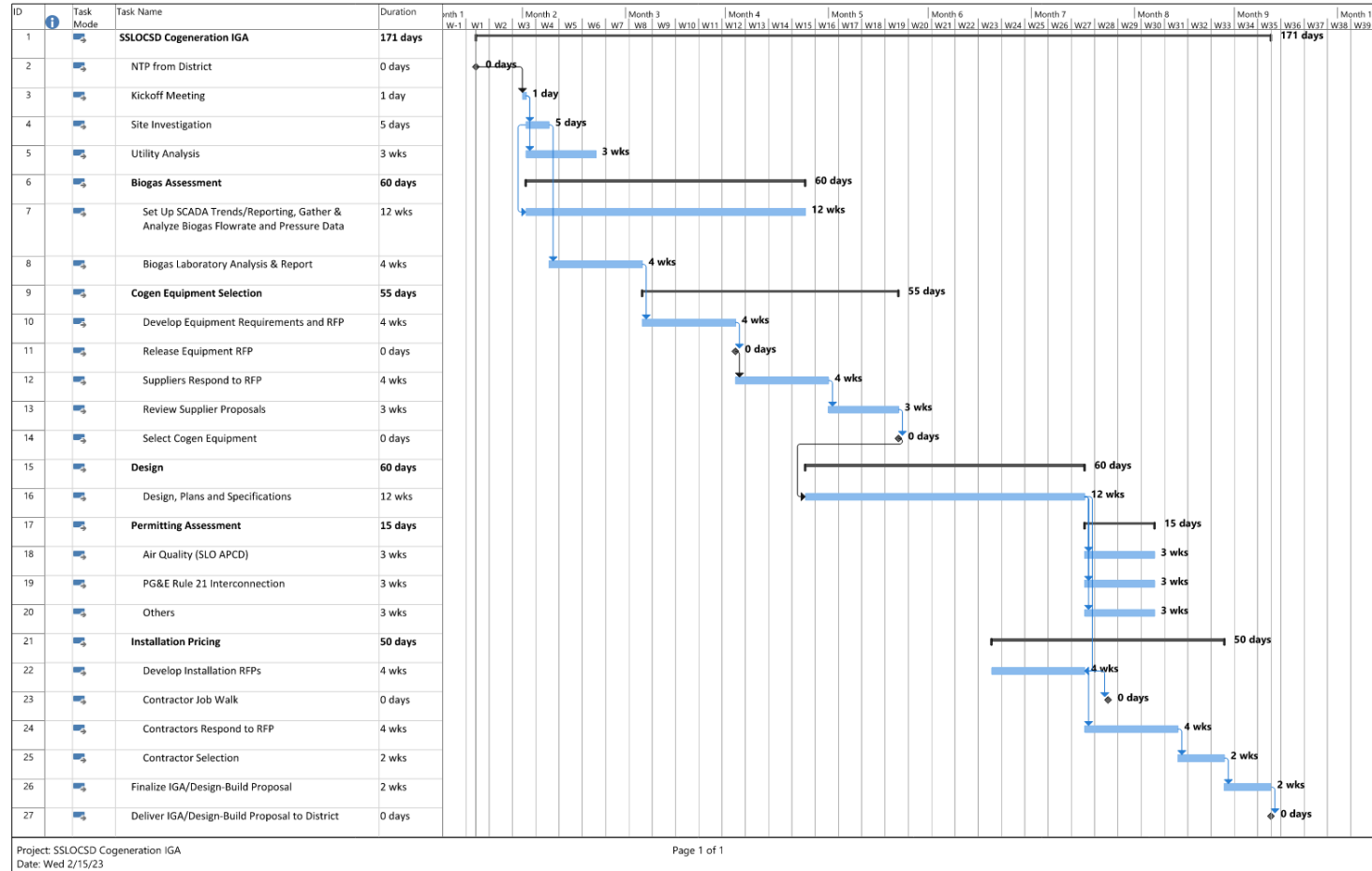
It is anticipated that the project would be funded by District funds, utility incentives, project financing or a combination thereof. Project financing is readily available in the marketplace from a variety of lenders. PG&E will work with the District to identify, solicit and acquire financing directly from the “best available” source. PG&E takes no financial position or fees from project financing. This proposal anticipates that project financing would require no cash outlay from the District and debt service payments would be entirely covered by the cost savings generated from the project.

#### Attachments:

1. Schedule with general assumptions and clarifications
2. Affidavit for Published Hearing
3. Resolution No. 2023-446

# Schedule

The preliminary schedule below indicates tasks and associated durations from the receipt of Notice to Proceed (NTP).



Prepared by PG&E and Southland

## **General Assumptions and Clarifications**

The following assumptions and clarifications apply to the scope and costs in this proposal.

- Pricing provided in this proposal is valid for ninety (90) days.
- Work Schedule: Project work schedule is based on non-holiday weekdays between 7:00AM and 4:30PM
- The District will provide adequate keys or access to plant mechanical and electrical rooms, including electrical sub-panels, as applicable.
- PG&E will require close coordination with facility staff and other District personnel in order to successfully complete the subject development work. We assume that appropriate personnel will be available to support the project during the site visits and meetings and also will be available for follow-up consultations.



Beaufort Gazette  
Belleville News-Democrat  
Bellingham Herald  
Bradenton Herald  
Centre Daily Times  
Charlotte Observer  
Columbus Ledger-Enquirer  
Fresno Bee

The Herald - Rock Hill  
Herald Sun - Durham  
Idaho Statesman  
Island Packet  
Kansas City Star  
Lexington Herald-Leader  
Merced Sun-Star  
Miami Herald

el Nuevo Herald - Miami  
Modesto Bee  
Raleigh News & Observer  
The Olympian  
Sacramento Bee  
Fort Worth Star-Telegram  
The State - Columbia  
Sun Herald - Biloxi

Sun News - Myrtle Beach  
The News Tribune Tacoma  
The Telegraph - Macon  
San Luis Obispo Tribune  
Tri-City Herald  
Wichita Eagle

## AFFIDAVIT OF PUBLICATION

| Account # | Order Number | Identification                          | Order PO       | Amount   | Cols | Depth |
|-----------|--------------|---|----------------|----------|------|-------|
| 29326     | 409014       | Print Legal Ad-IPL01184580 - IPL0118458 | Public Hearing | \$238.00 | 1    | 49 L  |

**Attention:** Amy Simpson  
SOUTH COUNTY SANITATION  
PO BOX 339

### SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT NOTICE OF PUBLIC HEARING

**NOTICE IS HEREBY GIVEN** that the South San Luis Obispo County Sanitation District will conduct a public hearing at a regular meeting to be held at 6:00 p.m., or as soon thereafter as the matter may be heard, on May 3, 2023, at Arroyo Grande Council Chambers, 212 East Branch Street, Arroyo Grande, California 93420. The public hearing will concern the following item:

#### **Receive Report, Conduct Public Hearing, and Consider Adoption of Resolution Authorizing District Administrator to Execute an Agreement with PG&E for the Cogeneration Revitalization Project**

The hearing will be opened for public participation. All interested people are invited to appear at the time to present their comments. The public comment period runs from the date this notice is published until the date of the hearing to allow sufficient time for submission of comments by mail. Written communications must be directed to the District Secretary, P.O. Box 339, Oceano, CA 93475, or emailed to Amy@SS-LOCSD.us, and received no later than the meeting date.

The Agenda Item Summary and supporting documents that will be considered by the Board of Directors will be available for review at the District and on the District's website: SSLOCSD.ORG on or after April 28, 2023. At the conclusion of the public hearing, the Board will consider a decision on the matter.

DATED: April 12, 2023  
/s/Amy Simpson, District Secretary  
IPL0118458  
Apr 18, 2023

In The Superior Court of The State of California  
In and for the County of San Luis Obispo

2 insertion(s) published on:  
04/18/23, 04/25/23

*Jane E. Durando*

Legals Clerk

STATE OF TEXAS

SS

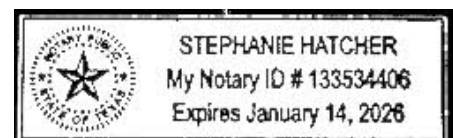
County of Dallas)

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen and not interested in the above entitled matter; I am now, and at all times embraced in the publication herein mentioned was, the principal clerk of the printers and publishers of The Tribune, a newspaper of general Circulation, printed and published daily at the City of San Luis Obispo in the above named county and state; that notice at which the annexed clippings is a true copy, was published in the above-named newspaper and not in any supplement thereof - on the following dates to wit; From 04/18/2023 To 04/25/2023 that said newspaper was duly and regularly ascertained and established a newspaper of general circulation by Decree entered in the Superior Court of San Luis Obispo County, State of California, on June 9, 1952, Case #19139 under the Gover

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

*Stephanie Hatcher*

Notary Public in and for the state of Texas, residing in Dallas County



Extra charge for lost or duplicate affidavits.  
Legal document please do not destroy!

**RESOLUTION NO. 2023 - 446**

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT BOARD OF DIRECTORS MAKING  
CERTAIN FINDINGS WITH RESPECT TO THE COGENERATION  
REVITALIZATION PROJECT.**

**WHEREAS**, the South San Luis Obispo County Sanitation District ("District") has investigated the efficiency of the existing cogeneration system at its Wastewater Treatment Plant and determined that revitalization of this system was viable and would provide economic and environmental value to the District; and

**WHEREAS**, Government Code 4217.12 authorizes the District to enter into energy conservation service contracts if the Board of Directors finds that the terms are in the best interests of the agency and that the cost of the conservation services is less than the anticipated cost of the energy that would have been expended in the absence of these services; and

**WHEREAS**, the District has received a proposal from PG&E to revitalize the District's cogeneration capabilities in a manner that will provide significant energy savings to the District; and

**WHEREAS**, the District held a duly noticed public hearing May 3, 2023 where it considered PG&E's proposal; and

**WHEREAS**, the Board of Directors finds that the terms of PG&E's proposal are in the best interests of the District and that the cost of revitalization is less than the cost of the energy that the District would expend absent PG&E's services.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the South San Luis Obispo County Sanitation District, that the District Administrator is authorized to execute an agreement with PG&E for energy saving services related to the District's Cogeneration Revitalization Project based on the findings set forth in this resolution.

**PASSED AND ADOPTED** at a regular meeting of the South San Luis Obispo County Sanitation District Board of Directors held this 3rd day of May, 2023. On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

\_\_\_\_\_  
BY: \_\_\_\_\_  
BOARD CHAIR

ATTEST:

\_\_\_\_\_  
BY: \_\_\_\_\_  
DISTRICT SECRETARY

APPROVED AS TO CONTENT:

\_\_\_\_\_  
BY: \_\_\_\_\_  
DISTRICT ADMINISTRATOR

APPROVED AS TO FORM:

\_\_\_\_\_  
BY: \_\_\_\_\_  
DISTRICT COUNSEL



## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

[www.sslocsd.org](http://www.sslocsd.org)

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### STAFF REPORT

**To:** Board of Directors

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

**Date:** May 3, 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:**

- *Delays on blower valves and DO probes may impact start-up operations schedule.*
- *Project Team is meeting to attempt to resolve any overall schedule impact from the delayed material above.*
- *Project remains within budget.*

#### **Misc:**

- *District Administrator continues to meet with Central Coast Blue General Manger*
- *The District is developing staffing schedules for 24 hour operations for approximately 4-6 weeks during the establishment of new plant process and biology.*
- *Meeting schedule for the remainder of FY 22/23 will be as follows.*
  - *May 17<sup>th</sup>*
  - *June 7<sup>th</sup> CANCELLED*
  - *June 21<sup>st</sup>*

#### **Plant Tours:**

- *Oceano Director Linda Austin and OCSD Board Member Shirley Gibson toured the plant and construction on April 6<sup>th</sup>*
- *Grover Beach Director Karen Bright and alternate Clint Weirick toured the plant and construction on April 7<sup>th</sup>*

**Tentative Items:**

- *Draft Budget (May 17)*
- *Final Budget (June 21)*
- *Review of Personnel Policy Manual (June 21)*

## **Plant Operations Report**

During the reporting period of April 1<sup>st</sup>- April 28<sup>th</sup>, the District's facility exceeded its NPDES Permit limit for daily maximum fecal coliform. The Regional Water Quality Control Board has been notified. Report on exceedance is discussed further in this report. All other process values were within Permit limitations.

**Monthly Plant Data for April 2023**

| April 2023     | INF Flow<br>MGD | INF Peak<br>Flow<br>MGD | INF BOD<br>mg/L | EFF BOD<br>mg/L | BOD %<br>Removal | INF TSS<br>mg/L | EFF TSS<br>mg/L | TSS %<br>Removal | Fecal<br>Coliform<br>MPN/100<br>mL | Chlorine<br>Usage<br>lbs/day |
|----------------|-----------------|-------------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|------------------------------------|------------------------------|
| Low            | 2.11            | 2.4                     | 500             | 16.5            |                  | 423             | 14.3            |                  | 1.8                                | 125                          |
| High           | 2.61            | 4.2                     | 628             | 27.6            |                  | 617             | 19.0            |                  | >16,000                            | 406                          |
| April 2023 AVG | 2.27            | 3.47                    | 551             | 22.8            | 95.9             | 537             | 16.3            | 97.0             | 1,070                              | 263                          |
| April 2022 AVG | 2.15            | 3.34                    | 534             | 20.7            | 96.1             | 525             | 21.4            | 95.9             | 16.2                               | 263                          |
| Limit          | 5.0             |                         |                 | 40/60/90        | >80              |                 | 40/60/90        | >80              | 2000                               |                              |

### **Operation and Maintenance Tasks**

- Checked and marked underground service alerts
- Prepared Andritz centrifuge for shipping to vendor facility in Texas
- Prepared drying beds for use while repair was being conducted on Andritz centrifuge
- Ran piping, wiring, and setup polymer pump system in preparation for Sharples centrifuge use
- Assisted vendor with bringing Sharples centrifuge back online
- Continued using sludge beds for dewatering biosolids until Sharples centrifuge returned to service
- Troubleshoot and began operating Sharples centrifuge for dewatering biosolids
- Installed pressure transmitters in H&M building
- Replaced battery on 6" trash pump
- Assisted with setup and installation of Andritz centrifuge.
- Troubleshoot Andritz centrifuge and returned to service

### **Work Orders Completed**

- Flushed Fixed Film Reactor (FFR)
- Drained and rinsed all Chlorine Contact Tank serpentine channels
- Performed algae control at all clarifiers
- Inspected FFR fan vents
- Performed Duperon bar screen maintenance
- De-ragged primary clarifier sludge pumps
- Test ran Emergency Generator and Emergency Bypass Pump
- Performed annual Emergency Generator maintenance
- Performed annual forklift maintenance-completed by outside vendor
- Performed junction box maintenance
- Performed clarifier drive maintenance
- Inspected polymer pump at Splitter Box
- Inspected ventilation fan at Influent Pump Room
- Replaced desiccators in equipment control panels

## **Preventative Maintenance**

- Digester vacuum/pressure relief valves
- Plant carts
- 6-inch trash pump
- Water Champ flash mixer

## **Training**

Staff participated in training on:

- Heat Exhaustion/Heat Stroke Awareness and Prevention
- Generac Generator system and equipment
- Aerzen Blower system and equipment
- Variable Frequency Drive (VFD) system and equipment

## **Call Outs**

- Friday April 21<sup>st</sup> at 5:05pm - High ORP alarm, due to mV reading at final ORP probe. Upon arrival of operator, the system had already corrected the issue. After acknowledging the alarm, the operator verified that all equipment was functioning correctly. Monitoring of the system continued until trends returned to normal.
- Saturday April 22<sup>nd</sup> at 11:13pm – High ORP alarm, due to mV reading at final ORP probe. Upon arrival of operator, the system had already corrected the issue. After acknowledging the alarm, the operator verified that all equipment was functioning correctly. Monitoring of the system continued until trends returned to normal.
- Sunday April 23<sup>rd</sup> at 5:29am – Motion Sensor/Unauthorized Entry alarm. At the time of arrival by the operator there was no alarm horn sounding and nothing lit up on the alarm panel. It was later discovered that this was a motion sensor alarm.
- Monday April 24<sup>th</sup> at 4:09am – Motion Sensor/Unauthorized Entry alarm. For this alarm the dispatcher for Stanley Security identified the alarm as an unauthorized entry alarm. There was no indication of an entry or attempted entry, this alarm tends to be triggered by either insects or rodents in the building. Staff is monitoring the building for any indications of pests and will take appropriate action if any are identified.

## **Exceedance**

On April 20<sup>th</sup>, the District recorded a fecal coliform bacteria result of >16,000 MPN/100mL for April 19<sup>th</sup>. The cause of the exceedance was due to low chlorine residual. On April 19<sup>th</sup>, the District's Redundancy Project electrical contractor performed a temporary splice into the communication cables of the District's chemical pumps to perform a permanent tie in to the communication cables. After the splice and verification that equipment was operating normally by District Operations staff, a fuse blew on one of the communications cables which caused an interruption in communication to the chlorine pump.

This interruption caused the chlorine pump to stop working for approximately one hour. At approximately 11:15am, Operations staff noticed the ORP of the inlet channel of the chlorine contact tank was in decline. Operations staff immediately began to troubleshoot the issue and found the chemical pump non-operational. The chemical pump was then placed in manual and the electrical contractor was notified. After investigation the District's electrical contractor discovered a blown fuse and replaced it.

Once the fuse was replaced, Operations staff returned the chemical pump to normal operation, at which time ORP levels began to return to normal. Later that day, at approximately 1:15pm, the electrical contractor completed the permanent tie in of the communication cables. With the permanent cables tied in and all major excavations for the Redundancy project completed, the District does not foresee a recurrence of this issue.

### **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.
- **April 19, 2023** – Daily Maximum Fecal Coliform  
This exceedance expires October 16, 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









