

**JOINT MEETING
CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT
WASTEWATER TREATMENT PLANT
(UNDER JOINT POWERS AGREEMENT)**

Cayucos Sanitary District Board of Directors:

Robert Enns, President
Harold Fones, Vice-President
Shirley Lyon, Director
Michael Foster, Director
Dan Chivens, Director

City of Morro Bay City Council:

William Yates, Mayor
Noah Smukler, Vice-Mayor
Carla Borchard, Councilmember
Nancy Johnson, Councilmember
George Leage, Councilmember

AGENDA

MEETING DATE:

6:00 p.m., Thursday, August 11, 2011

HOSTED BY:

Cayucos Sanitary District

MEETING PLACE:

Cayucos Veterans Hall
10 Cayucos Drive
Cayucos CA 93430

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the governing bodies on Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) business matters may do so at this time. By the conditions of the Brown Act, the governing bodies may not discuss issues not on the agenda, but may set items for future agendas. When recognized by the Chair, please come forward to the podium and state your name and address for the record. Comments should be limited to three minutes. All remarks shall be addressed to the governing bodies, as a whole, and not to any individual member thereof. This governing body requests that you refrain from making slanderous, profane, or personal remarks. Please refrain from public displays or outburst such as unsolicited applause, comments, or cheering. Any disruptive activity that substantially interferes with the ability of this governing body to carry out its meeting will not be permitted and offenders will be requested to leave the meeting. Your participation in JPA meetings is welcome and your courtesy will be appreciated.

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council or Cayucos Sanitary District Board, the following items are approved without discussion

A-1 MINUTES OF MAY 12, 2011 JPA MEETING

Recommendation: Approve as submitted

A-2 WWTP OPERATIONS REPORT THROUGH JUNE, 2011

Recommendation: Receive and file

B. OLD BUSINESS

B-1 STATUS REPORT ON UPGRADE PROJECT AS OF AUGUST 1, 2011

Recommendation: Receive the Status Report and direct staff accordingly

C. NEW BUSINESS

C-1 CONSIDERATION TO ADOPT FISCAL YEAR 2011/2012 WWTP BUDGET

Recommendation: That the Board of Directors of the Cayucos Sanitary District approve the FY 2011/2012 budget.

C-2 DISCUSSION AND CONSIDERATION OF A PROPOSAL FROM CENTRAL COAST WATER TREATMENT
DBA: CULLIGAN INDUSTRIAL (CCWT) FOR BRINE DISPOSAL

Recommendation: That the Council and District Board approve of the brine disposal concept; direct staff to notify the Regional Water Quality Control Board (RWQCB) of MBCSD's intent to discharge brine; and direct staff to develop a permit and agreement with CCWT for brine disposal.

C-3 SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

ADJOURNMENT - (Next meeting will be hosted by the City of Morro Bay)

Copies of staff reports and other public documentation relating to each item of business for this meeting are available for inspection at Morro Bay City Hall at 595 Harbor Street and the Cayucos Sanitary District at 200 Ash Ave. A copy of this packet is available from the City of Morro Bay for copying at Mills Copy Center and from the Cayucos Sanitary District for a copy and duplication charge. Any person having questions regarding any agenda items may contact Bruce Keogh, Wastewater Division Manager (City of Morro Bay) at 772-6261 or Bill Callahan, District Manager (Cayucos Sanitary District) at 995-3290. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Public Services' Administrative Technician at (805) 772-6261, or the Cayucos Sanitary District at (805) 995-3290. Notification 24 hours prior to the meeting will enable the City and District to make reasonable arrangements to ensure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City of Morro Bay or the Cayucos Sanitary District after distribution of the agenda packet are available for public inspection at the scheduled meeting.

AGENDA ITEM: _____ A-1 _____

DATE: _____ August 11, 2011 _____

ACTION: _____

**JOINT MEETING
CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT
WASTEWATER TREATMENT PLANT
(UNDER JOINT POWERS AGREEMENT)**

MINUTES

**CAYUCOS SANITARY DISTRICT
BOARD OF DIRECTORS:**

Robert Enns, President
Hal Fones, Vice-President
Shirley Lyon, Director
Michael Foster, Director
Dan Chivens, Director

**CITY OF MORRO BAY CITY COUNCIL
MEMBERS:**

William Yates, Mayor
Noah Smukler, Vice-Mayor
Carla Borchard, Councilmember
George Leage, Councilmember
Nancy Johnson, Councilmember

MEETING DATE:

6:00 p.m., Thursday, May 12, 2011

HOSTED BY:

City of Morro Bay

MEETING PLACE:

Multi-Purpose Room
Community Center
1001 Kennedy Way
Morro Bay, CA 93442

CALL TO ORDER AND ROLL CALL

Mayor Yates called the meeting to order at 6:05 p.m. and asked that the record show all Council members are present. Robert Enns stated all members are present with the exception of Vice-President Hal Fones.

Morro Bay Staff members present were Rob Livick, Rob Schultz, Bruce Keogh, Dylan Wade and Cindy Jacinth. Also present was JPA WWTP Project Manager Dennis Delzeit

Cayucos Staff members present were Lewis Brookins and District Counsel David Hirsch.

Mayor Yates introduced Susan McCabe who introduced herself and her involvement with the project.

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the governing bodies on Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) business matters may do so at this time. By the conditions of the Brown Act, the governing bodies may not discuss issues not on the agenda, but may set items for future agendas. When recognized by the Chair, please come forward to the podium and state your name and address for the record. Comments should be limited to three minutes.

Mayor Yates opened Public Comment:

- Jeff Pinak, resident of Oceano and Chair of the Surfrider Foundation, spoke about the importance of water and alternate technology used by other treatment plants such as water recycling and reuse. Mr. Pinak passed out Surfrider's statement of key environmental considerations and encouraged a redesign of the plant.

- Evelyn Morgan, representative of Solar Funding Solution asked if the Board would entertain a proposal to design and build a wastewater facility at an alternate location. Mayor Yates directed Ms. Morgan to contact staff since public comment is not intended to be a two way conversation.
- David Nelson, resident of Morro Bay, stated other options are available and expressed concern over the high cost of the upgrade project.
- Gary Hixson, resident of Morro Bay expressed support for the WWTP but expressed concern about the sea otters.
- Joe Wallick, resident of Morro Bay stated local problems require local people and stated the JPA needs community involvement.

Mayor Yates closed public comment period.

Yates responded that there is community involvement to get the sewer built as low as possible.

Foster stated the public comments he has heard in the meetings have been helpful and have influenced his opinion on the way this project is going and thanked the public for taking the time to come.

A. CONSENT CALENDAR

1 MINUTES OF APRIL 14, 2011 JPA MEETING

2 WWTP OPERATIONS REPORT THROUGH MARCH, 2011

MORRO BAY MOTION: Borchard made a motion to approve the Consent Calendar. Smukler seconded and the motion passed unanimously (5-0).

CAYUCOS MOTION: Fones made a motion to approve the Consent Calendar. Chivens seconded and the motion passed unanimously (5-0).

B. OLD BUSINESS

1 STATUS REPORT ON UPGRADE PROJECT AS OF MAY 1, 2011

Recommendation: Receive the Status Report and direct staff accordingly

Dennis Delzeit presented the status report.

Smukler asked Delzeit to clarify the terms of his contract regarding the time spent with the Coastal Commission process.

Smukler asked about anticipated adjustment to contract based on the Coastal Commission process and whether a secondary option can be proposed to scale back some of your time to avoid a change order since other consultants will be hired.

Delzeit responded that the terms of his contract are on an as-needed basis and the amount of his workload varies monthly. Delzeit said his workload varies month to month and the advantage of his contract is he is only paid when there is work performed.

2 DISCUSSION OF COASTAL LAND USE AND ADVOCACY CONSULTANT (CLUAC) STATUS REPORT

Delzeit presented the staff report and introduced consultant Susan McCabe.

He stated staff is asking to suspend McCabe's contract until the point when staff will need Ms. McCabe's assistance with the additional technical studies. Under fiscal impact, Delzeit anticipates there could be savings of \$62,500 assuming a potential 5 month hold on the contract.

Delzeit and Yates had discussion regarding the length of the process which could take a year and that Coastal Commission hearings are typically scheduled as close to the jurisdiction as possible.

Board members discussed:

- Whether initiating a resumption of that contract would take JPA Board approval. Delzeit responded yes.
- What the process is if an alternatives analysis identifies an alternate site as best. McCabe responded that if another site is demonstrated as environmentally superior, that would be the Board's decision to move forward with that.
- Foster agreed with Delzeit's recommendation but stressed that the project be suspended until such time as it is reinstated by Board authority and not staff.
- Whether projects which hire a consultant are more successful than those who do not hire a consultant. McCabe clarified her role and services offered in guiding a jurisdiction through the process.

Foster discussed with McCabe:

- The Coastal Commission's decision to require an alternatives analysis. McCabe responded the Coastal Commission was lacking information needed to make an informed decision, so the Coastal Commission decided to require an alternatives analysis. At this point, no one knows what the outcome will be.
- Foster asked McCabe for the definition of an environmentally preferred site. McCabe explained the Coastal Commission will consider policies contained in the Coastal Act in determining whether this is the best project.
- Whether Ms. McCabe has a conflict of interest. McCabe responded that the process identified in the scope of work is a very transparent process. Coastal Commission staff will give a very rigorous and independent analysis. McCabe stated her job is to make sure the alternatives analysis is presented in a manner consistent with what the Coastal Commission is looking for.

Yates opened Public Comment on this subject:

- David Nelson of Morro Bay questioned the need for a consultant and expressed concern over the costs of a consultant before knowing what the project will be.
- Evelyn Morgan stated she is new to the City and expressed concern about the costs and also spoke against the hiring of consultants.
- Barry Branin of Morro Bay thanked the Board for putting this item on the agenda and encouraged the Board to suspend the consultant contract.

Mayor Yates closed Public Comment period.

Yates invited the public to contact him or Bruce Keogh, the Plant Manager, to learn about the WWTP. Keogh responded that monitoring data is available and gave his phone number for people to call him for a tour.

Yates asked McCabe to respond to the question of how many sewer plants she has worked on. She said none. He asked how many public agencies go to the Coastal Commission with a \$35 million sewer project without a consultant. She said none to her knowledge.

Smukler thanked the new faces who are getting involved and encouraged everyone to stay informed and involved and sign up on the City's website notify me feature and also gave the web address for Barry Branin's website.

Smukler stated his agreement with Board member Foster regarding the suspension of the McCabe contract and that it is very important for board to authorize resumption of the contract.

Yates asked Delzeit to clarify if he would need JPA approval to reinstate the contract. Delzeit said yes, reinstating the contract would require formal action.

Board members had discussion with Delzeit concerning the importance of maintaining flexibility with McCabe's contract during the interim period to allow staff to seek McCabe's assistance.

CAYUCOS MOTION: Fones moved to authorize the Project Manager to suspend the Agreement for Consultant Services with McCabe & Company, pursuant to Section 6(a), at such time as the collaborative process between McCabe, the Technical Consultant, MBCSD staff and Coastal Commission staff in finalizing the scope of the substantive content of the Alternatives Analysis is complete and preparation of the written report is underway.

Foster asked for clarification on the motion and asked what the process is that suspends and reinstates the \$12,500 retainer. Delzeit clarified and stated the process for suspension is when Delzeit, staff and the consultant have determined the work scope and begun the technical studies and the reinstatement process is also when Delzeit, staff and the consultant believe it is time to bring Ms. McCabe back to wrap up the final report.

Lyon seconded the motion. Motion passed 4-1. Foster opposed.

MORRO BAY MOTION: Borchard moved to authorize the Project Manager to suspend the Agreement for Consultant Services with McCabe & Company, pursuant to Section 6(a), at such time as the collaborative process between McCabe, the Technical Consultant, MBCSD staff and Coastal Commission staff in finalizing the scope of the substantive content of the Alternatives Analysis is complete and preparation of the written report is underway.

Smukler stated they are reviewing resumes from two teams with a lot of experience, and stressed we shouldn't layer consultant upon consultant.

Yates iterated his support for Ms McCabe and her importance to assisting with this project and need to have some faith in the process.

Johnson seconded the motion. Motion passed 4-1. Smukler opposed.

Yates called for a short break and resumed the meeting at 734pm.

C. NEW BUSINESS

1 SELECTION OF CONSULTANT TO PREPARE SUBSTANTIAL ISSUES STUDIES TO ADDRESS THE CALIFORNIA COASTAL COMMISSION APPEAL WITH CONSIDERATION TO AUTHORIZE STAFF TO NEGOTIATE A CONTRACT

Recommendation: Authorize staff to negotiate a final scope of services, schedule and fee and execute a contract with Dudek for the preparation of substantial issues studies for a fee not to exceed \$350,000.

Delzeit presented the staff report explaining the two proposals received from the consultants and gave an overview of the selection committee and how the Dudek was selected.

Smukler discussed with Delzeit:

- The draft scope of work and Delzeit stated the scope of work is continuing to be refined.
- The water reclamation update. Delzeit said that is an important element and expensive part. The water reclamation part will be expensive because will involve a lot of consultant hours.

Delzeit stated a preliminary reconnaissance study will be done in order to be cost effective for recommendations in study will be done during the rough screening process to try to minimize costs. He also noted that good communication is necessary between staff and JPA.

- The ranking and criteria applied to the analysis of alternative sites and how to fact check the analysis that is done. Dylan Wade replied that they anticipate the process will involve a lot of public collaboration. This

information will be brought back to the Board and noted the Coastal Commission staff will act as a peer review in order to make sure the analysis is done right the first time.

Smukler noted that it is important we are not giving undue benefit to the existing site because there is an existing wastewater treatment plant there.

Delzeit responded they will be all in competition with one another and noted that the current Coastal Commission application is for the current site.

Johnson asked Delzeit to clarify:

- The process for making the final recommendations to the Coastal Commission.

Delzeit explained the process which includes bringing back the alternatives analysis report to the JPA Board for consideration and approval prior to submitting to the Coastal Commission. Delzeit also explained the hearing process formalities at the Coastal Commission hearing itself.

Smukler asked if the alternatives analysis becomes biased if it is based on the EIR and compliance with 2014 date. Delzeit stated we have an open ended time extension from the Regional Board with monthly updates to the Regional Board on the status of the upgrade project.

Foster responded upon reviewing the staff report and expressed that he has not received all information documenting the selection process of how Dudek was selected as the consultant.

Delzeit stated a numerical system matrix was not used but that the selection committee did mark up in detail our copies of the RFQ's. The review of the consultant's proposals included a page by page discussion and debate of and the consultants proposals.

Foster questioned the not-to-exceed nature of the contract without an agreed upon scope of work. Discussion continued between Foster and Delzeit regarding the differences between lump sum contracts compared to not-to-exceed.

Foster continued to discuss with Delzeit:

- The substantial issue analysis and whether there is an alternative project out there that is better within the rate parameters for the rate payers and that it should include an evaluation of what the alternative use of the existing site would be. Delzeit said that is in there.
- The reason for selecting Dudek. Delzeit clarified one of the reasons was their team's experience- the proposed project manager for Dudek is a former California Coastal Commission staffer. Dudek is able to provide most of the major services within their company whereas Sage would have to subcontract part of their services.
- Whether a local coastal plan amendment might be required in order to get approval from the Coastal Commission. Schultz clarified that might be a requirement in order to be in compliance whether at the current site or an alternate site.

Mayor Yates opened public comment period:

- David Nelson of Morro Bay expressed concerned that Dudek's proposal did not have sufficient public outreach and noted a discrepancy compared to Sage's proposal.
- Barry Branin of Morro Bay stated entire scope of work needs to be clearly identified before signing. Mr. Branin expressed concern that all the criteria needed are not present and stated the need to compare economics of why a site is good or not good.
- Jack Spangle of Morro Bay spoke in favor of asking the consultant directly about scope of work questions in order to decide which firm to select.
- Richard Margetson of Cayucos stated that the Los Osos CSD did not have a consultant when it went before the Coastal Commission. Mr. Margetson encouraged the Board to negotiate with consultants to lower the price.

- John Rickenbach of Sage Institute thanked the staff and noted they are local and would love the opportunity to work with the JPA.
- Betty Winholtz of Morro Bay agreed with the comments of Barry Branin stating that the economics are important and encouraged the JPA Board to remember the public who needs to be brought into the process and can give feedback.

Mayor Yates closed public comment.

Yates asked Delzeit to respond to public comment question regarding the draft work scope and the work scope that was in the proposal and noted McCabe will review the final work scope to make sure it is acceptable to both the public and the Coastal Commission.

Yates noted the work scope is a draft and asked Dennis to hold it up so the public could see. Yates also noted there will be two public workshops to allow the public to attend to provide input.

Smukler asked Delzeit how to make this more competitive and affordable and expressed concern that we are locking ourselves in. Delzeit replied that the consultant would be authorized to proceed in steps, not the whole \$350,000 up front.

Foster discussed with Delzeit the discrepancy in cost between the two consultants. Delzeit replied that by defining the work scope, some of the unneeded costs such as contingency and water reclamation study will be eliminated which will result in cost savings.

CAYUCOS MOTION: Fones moved to authorize staff to negotiate a final scope of services, schedule and fee and execute a contract with Dudek for the preparation of substantial issues studies for a fee not to exceed \$350,000.

Lyon seconded the motion. Motion passed 4-1. Foster opposed.

MORRO BAY MOTION: Borchard moved to authorize staff to negotiate a final scope of services, schedule and fee and execute a contract with Dudek for the preparation of substantial issues studies for a fee not to exceed \$350,000.

Johnson seconded the motion.

Smukler asked if motion could be delayed until next month's meeting. No support was present for Smukler's request.

Motion passed 4-1. Smukler opposed.

2 SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

Delzeit said the next meeting is scheduled for June 9, 2011 in Cayucos.

ADJOURNMENT

Mayor Yates adjourned the meeting at 8:42p.m.

Minutes Recorded by:
Cindy Jacinth, Morro Bay Public Services Dept.

STAFF REPORT

**MORRO BAY-CAYUCOS J.P.A.
WASTEWATER TREATMENT PLANT**

to: Honorable Mayor and City Council, City of Morro Bay
Honorable President and Board of Directors, Cayucos Sanitary District

from: Bruce Keogh, Wastewater Division Manager

date: July 29, 2011

subject: WWTP Operations Report through June, 2011

recommendation:

This Department recommends this report be received and filed.

fiscal impact:

None

summary:

Attached, find copies of the Morro Bay-Cayucos Wastewater Treatment Plant monthly reports, from April 2011 to June 2011 and the WWTP flow summary, through June 2011. This information updates the item, from the May 12, 2011 meeting.

The City of Morro Bay-Cayucos Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY

APRIL 2011

Flow for the month of April averaged 1.298 Million Gallons per Day (MGD). Removal of suspended solids ranged from 80.4 % to 95.8 % for the month, with an average removal of 87.8 % for the month. BOD removal ranged from 50 % to 91.7 % for the month, with an average removal of 71.7 % for the month. Rainfall for the month was 0.2 inches. For the month of April, the plant was in compliance with the discharge and receiving-water limitations specified in the NPDES discharge permit. Other than normal operations and maintenance, the following items are noteworthy:

The following items are noteworthy concerning the upgrade project for the wwtp:

- Requests for qualifications were issued to consulting firms to prepare the additional studies that were determined to be necessary by the California Coastal Commission (CCC) staff in their report to the Commission.
- Consultants were interviewed on April 14, 2011 and the selection committee narrowed the field to the final two consultants. Interviews were conducted with the final two consultants on April 19.
- The selection committee prepared a semi final scope of services for the studies and the final consultant selection is scheduled for the JPA meeting of May 12, 2011.

On March 28, staff was notified that approximately one hundred feet of the outfall pipe was exposed on the beach due west of the plant. Staff inspected the exposed section of the outfall and noted that the path of Morro Creek had been diverted northward due to a combination of high creek flows during the rain event of March 19-22, and extreme high tides and large surf during that time period. The northward flow of the creek removed a large volume of sand from the beach and exposing a portion of the outfall. City staff made preparations to perform emergency repairs to the outfall that included applying for and receiving emergency permits from the Army Corp of Engineers, the California Coastal Commission, and the Regional Water Quality Control Board. The City and District contracted with Associated Pacific Divers to cut a new creek channel across the beach diverting the creek flow west across the beach several hundred yards south of the outfall. They completed this work on April 1 and 2. Once the creek was diverted the tides and waves naturally moved sand back across the outfall and reburied the pipe. There was no indication of structural damage to the outfall pipe that was exposed.

On March 31, staff discovered a problem with the effluent flow meter used to pace the dosing pumps for sodium hypochlorite (for disinfection) and sodium bisulfite (for dechlorination). They removed the meter for inspection and consulted the manufacturer for possible solutions. On April 4, they shipped the unit to the manufacturer for repairs and maintenance. While the effluent flow meter was off line, staff switched to the influent flow meter to provide pacing signals for both the disinfection and dechlorination processes.

On April 15, plant staff received the repaired and reconditioned flow meter from the manufacturer. Repairs included rebuilding the lower end of the propeller unit and installation of a new and upgraded flow totalizer. Staff discovered that during the repair process the manufacturer had removed the mounting brackets on the tube frame of the meter that fit into corresponding mounting brackets located on the metering vault wall. As the propeller portion of the flow meter sits inside the thirty-inch pipe entering the metering vault, the location of the mounting brackets is

extremely important in order to place the meter in the correct location within the thirty-inch pipe. Staff made numerous attempts to estimate where the mounting brackets should be located, but were unable to get the precise measurements for the mounting brackets due to the fact that the lower mounting bracket is submerged within the metering vault. Staff determined that the metering vault must be drained so that exact measurements could be obtained for the mounting brackets. Draining the meter vault required that all flow into the metering vault and the chlorine contact tank had to be stopped for a minimum of three hours. Plant staff devised a system for stopping flow that included draining the grit chamber (on April 25) and primary clarifier #2 (on April 28). During the time period that flow is diverted into the two empty tanks (while they refill) no water is discharged to the metering vault at the front of the chlorine contact tank. On April 28, at 0530 hours, staff began filling the two tanks, while at the same time pumping out the meter vault with a hydraulic powered pump that had been inserted into the metering vault with a crane. When the vault was pumped down, staff performed a confined space entry into the metering vault to determine the precise location for the mounting brackets. In addition to precisely locating the mounting brackets, staff also discovered that the flow meter propeller was touching the straightening vanes located within the thirty-inch pipe. Staff had to grind down the edges of the straightening vanes to allow for proper clearance of the flow meter propeller. Staff completed the installation of the flow meter and flow was restored to the meter vault at 0845 hours. Staff worked with staff from Alpha Electric to reconnect the 4 to 20 milliamp circuit from the effluent meter used to pace the sodium hypochlorite (for disinfection) and sodium bisulfite (for dechlorination). The meter is back in operation and operating as designed.

On April 3, 6, 7, and 29, staff responded to after hours chlorine residual alarms at the plant. Staff believes the slightly depressed or elevated chlorine residuals were due to having the disinfection and dechlorination signals used to pace the hypochlorite and bisulfite pumps coming from the influent flow meter (rather than the effluent flow meter which was off-line for emergency repairs). They adjusted the hypochlorite dosing pumps and performed a detailed inspection and no other problems were noted. Staff noted that the change in the alarm set point for the chlorine residual alarm was effective in prompting a quick response time.

On April 7, Aero-Mod Inc. performed a solids dewatering demonstration utilizing a trailer mounted Triton Model 1000 Series Belt Filter Press. The demonstration lasted one day and utilized solids from the anaerobic digesters at the plant. During that time period Aero-Mod staff provided operational training on the dewatering unit to plant staff. Aero-Mod will be providing a written report summarizing the performance of the belt press to plant staff that includes sludge moisture content, polymer dose, screw speed, and solids capture. This information will be useful in determining the optimum dewatering strategy for the upgraded treatment plant.

On April 20, staff from Harbor Electric installed a new rotating brush contactor on the jib crane at the headworks. This completes the repairs to the electrical problems noted on the jib crane.

On April 20, staff from San Luis Powerhouse performed the quarterly maintenance and inspection on the emergency auxiliary generator; they also replaced the gasket on the oil pan. No problems were noted during the inspection.

On April 27, laboratory staff received notification from the Department of Health Services Environmental Laboratory Accreditation Program (ELAP) that based on the application, documentation, and fees submitted to ELAP on April 7, the Morro Bay Cayucos Wastewater Plant Laboratory "...continues to be certified as an environmental testing laboratory pursuant to the provisions of the Health and Safety Code (HSC), Division 101, Part 1, Chapter 4, Section 100825, et seq." The certification is valid through 5/31/2013.

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for March 2011

The following reports were submitted to the CIWQS electronic reporting system:

- The Offshore and Monitoring Program 2010 Annual Report.
- The Offshore and Monitoring Program 1st Quarter Receiving Water Survey March 2011 Report.
- The March 2011 Monthly Monitoring Data

The BOD analyses conducted on the twenty-four hour composite effluent samples for April 19 and 27 had BOD concentrations of 103mg/L and 154mg/L, respectively. Staff is currently investigating possible causes for these elevated BOD concentrations

During April, plant staff continued to investigate possible solutions to the struvite problem that has been noted at the plant. Plant staff began a sampling program for phosphates in the collection system. Phosphates can be a critical component in the formation of struvite. Struvite, which is crystal like material, appears to be building up in the discharge piping of the digesters. Staff is concerned that the crystal like material will build up in the discharge piping of the digesters, and potentially impact the hydraulic capacity of those pipelines. Plant staff is currently in contact with various vendors and other treatment facilities in an attempt to correct the problem.

On April 13, plant staff provided official notification to Mr. Randy Freidlander of the California Integrated Waste Management Authority that the composting operation at the plant was being shut down due to potential space constraints imposed by the upgrade project. Staff will work with Mr. Freidlander to take the necessary steps to terminate the permit for composting at the plant.

On April 5, staff from Dependable Fire Protection completed the annual service of all the fire extinguishers at the plant.

On April 14, a local church group with twenty two kids and four chaperones toured the plant as part of their earth day activities.

The National Estuary Program Volunteer Monitoring Program continued analysis of bacterial samples collected from throughout the watershed in the laboratory at the plant. The volunteers are using space provided in the lab by plant staff.

The permanent household hazardous waste collection facility (PHHWCF) at the plant continued to be well used by the public. Between twenty and fifty participants are using the facility each Saturday.

Bruce Keogh
Wastewater Division Manager
Lab/C/Bruce/Monthlys/April 2011

The City of Morro Bay-Cayucos Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY MAY 2011

Flow for the month of May averaged 1.197 Million Gallons per Day (MGD). Removal of suspended solids ranged from 83.9 % to 93.9 % for the month, with an average removal of 89.4 % for the month. BOD removal ranged from 71.9 % to 89.7 % for the month, with an average removal of 81.5 % for the month. Rainfall for the month was 0.5 inches. For the month of May, the plant was in compliance with the discharge and receiving-water limitations specified in the NPDES discharge permit. Other than normal operations and maintenance, the following items are noteworthy:

The following items are noteworthy concerning the upgrade project for the wwtp:

- The City of Morro Bay and the Cayucos Sanitary District awarded a contract to Dudek Inc., to prepare additional studies required by staff at the California Coastal Commission (CCC)

On May 18 and May 19, staff from Ballard Diving and Salvage in coordination with plant staff performed an internal video inspection of the first three thousand two hundred feet of the outfall beginning at the air relief structure within the plant and proceeding west toward the diffuser structure. The outfall is approximately five thousand feet long and requires entry from both ends to accomplish the inspection process. The inspection process was conducted by a submarine or "ROV" (remote operated vehicle) that utilizes both video cameras as well as sonar imaging to conduct the inspection. The contractor will be returning to perform the second phase which requires divers to remove the end flange of the outfall and placing the ROV into the pipe where it will swim upstream to inspect the last two thousand feet of the outfall. Staff from Ballard Diving & Salvage is currently waiting for an appropriate weather window that will allow work to resume. The logistics involved with this inspection were extremely difficult. It required a high tide of at least 6 feet between midnight and 2am in order to get the ROV into the outfall. In addition, all flow to the outfall had to be stopped for a minimum of five hours without compromising and impacting normal plant operations (the only time it is possible to stop flow for this time period is during the early morning hours when flow is at its lowest). This involved manipulation of plant operational processes and included draining the grit chamber and one primary clarifier that were refilled (thus stopping flow to the outfall) while the inspection was on-going. In addition, staff also pumped down the chlorine contact tank to a sludge drying bed for further storage capacity (this water was dechlorinated and ultimately decanted back to the headworks). During this period, staff also implemented methods to deliver precisely controlled flow amounts to the outfall to assist the contractor in getting the video inspection equipment into and down the outfall pipe. Plant staff should be commended for their operational preparations and planning, as well as implementing their operational plans while working two extremely long back to back all night shifts.

The inspection resulted in both video images as well as sonar images that provide pipe profiles. The video quality was not good due to limited visibility, but the sonar images provided cross sections of the pipe every one hundred feet to show out of round or loss of cross section from debris build up. Staff is still waiting for the final phase of the inspection and the final report, but it appears that overall the first three thousand two hundred feet of the outfall pipe appears to be in good condition. Staff will perform a more detailed analysis once they receive the final inspection report. Staff is currently working with the contractor to schedule the final phase of the inspection.

On May 9, staff from Huber Technology set up to perform a solids dewatering demonstration utilizing a trailer mounted Huber Screw Press. Before the demonstration could begin, they were required to depart for an emergency dewatering operation at another facility. Plant staff is making arrangements to have the Huber Screw Press return for the demonstration as their schedule permits. Similar to the other recent dewatering demonstrations at the plant, Huber staff will provide operational training on the dewatering unit to plant staff. Huber staff will also be providing a written report summarizing the performance of the Screw Press to plant staff that includes sludge moisture content, polymer dose, screw speed, and solids capture. This information will be useful in determining the optimum dewatering strategy for the upgraded treatment plant.

On May 4, staff replaced the 3-Way valve used to control the heat exchanger on the hot water loop used to regulate the temperature of digester #2.

On May 11, staff completed the annual updates to the laboratory Quality Assurance Manual.

On May 10, staff from Wine Country Balance performed the annual calibration of the analytical balance in the laboratory.

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for April 2011

The following reports were submitted to the CIWQS electronic reporting system:

- The April 2011 Monthly Monitoring Data

During the month of May, plant staff continued with efforts for protection of critical plant facilities against moderate flooding. This project is designed to protect critical buildings and equipment in the event of moderate flooding at the plant. The flood proofing includes construction of flood walls to protect motor control centers (MCC) while still allowing access into the MCCs, installation of flood gates on some doors of the MCCs, and raising equipment as necessary to get above a flood elevation of thirty inches.

On May 3, at 0433 hours staff responded to a high chlorine residual alarm at the plant. Staff discovered that the sump pump that supply's sample to the Wallace and Tiernan Micro 2000 Total Chlorine Residual Analyzer had failed. They replaced the sump pump and adjusted the hypochlorite dosing pumps and performed a detailed inspection and no other problems were noted. Staff noted that the change in the alarm set point for the chlorine residual alarm was effective in prompting a quick response time.

During May, plant staff continued to investigate possible solutions to the struvite problem that has been noted at the plant. Plant staff began a sampling program for phosphates in the collection system. Phosphates can be a critical component in the formation of struvite. Struvite, which is crystal like material, appears to be building up in the discharge piping of the digesters. Staff is concerned that the crystal like material will build up in the discharge piping of the digesters, and potentially impact the hydraulic capacity of those pipelines. Plant staff is currently in contact with various vendors and other treatment facilities in an attempt to correct the problem.

On May 18, Mr. John Wallace and Mr. Bob Barlogio toured the plant as part of their.

On May 25, Ms. Evelyn Morgan, Mr. Larry Thibeault, and Mr. Barry Branin toured the plant.

The National Estuary Program Volunteer Monitoring Program continued analysis of bacterial samples collected from throughout the watershed in the laboratory at the plant. The volunteers are using space provided in the lab by plant staff.

The permanent household hazardous waste collection facility (PHHWCF) at the plant continued to be well used by the public. Between twenty and fifty participants are using the facility each Saturday.

Bruce Keogh
Wastewater Division Manager
Lab/C/Bruce/Monthlys/May 2011

The City of Morro Bay-Cayucos Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY

JUNE 2011

Flow for the month of June averaged 1.259 Million Gallons per Day (MGD). Removal of suspended solids ranged from 88.3 % to 94.9 % for the month, with an average removal of 92.6 % for the month. BOD removal ranged from 78.1 % to 90.7 % for the month, with an average removal of 85.7 % for the month. Rainfall for the month was 0.54 inches. For the month of June, the plant was in compliance with the discharge and receiving-water limitations specified in the NPDES discharge permit. Other than normal operations and maintenance, the following items are noteworthy:

The following items are noteworthy concerning the upgrade project for the wwtp:

- The contract for the Alternatives Analysis with Dudek was finalized and a staff level kick off meeting was held on June 13th;
- Public outreach workshops were held on June 27 and 28 to receive comments to ensure conduct of a thorough and balanced alternatives analysis to prepare additional studies required by staff at the California Coastal Commission (CCC);
- Written public comments will be received until Friday, July 15 at 5 pm.
- Dudek continued to coordinate with the Coastal Commission staff as technical data is gathered for the rough screening site analysis.

On June 13 and 14, staff from Ballard Diving and Salvage (Ballard) in coordination with plant staff attempted to complete the internal video inspection of the outfall. The outfall is approximately five thousand feet long and requires entry from both ends to accomplish the inspection process. Ballard performed a video inspection of the first three thousand two hundred feet of the outfall on May 18 and 19. That inspection started at the air relief structure within the plant and proceeded west toward the diffuser structure. The inspection process was conducted by a submarine or "ROV" (remote operated vehicle) that utilizes both video cameras as well as sonar imaging to conduct the inspection.

On June 13 and 14 at approximately 1900 hours divers from Ballard attempted to remove the end flange of the outfall so that they could access the outfall pipe and place the ROV into the pipe where it would travel upstream to inspect the last two thousand feet of the outfall. The divers were able to excavate the sand around the end flange of the outfall (the outfall is partially buried by sand at the end flange) and were able to begin removing some of the bolts attaching the flange to the outfall pipe. Due to weather constraints, shifting and loose sand conditions around the outfall, and limited bottom time for the divers, Ballard stopped the operation at approximately 2300 hours on June 14.

Similar to the logistics involved with the inspection process in May, plant staff was prepared to stop all flow in to the outfall for a minimum of five hours without compromising and impacting normal plant operations (the only time it is possible to stop flow for this time period is during the early morning hours when flow is at its lowest). Preparations for this inspection by plant staff included draining the grit chamber and one primary clarifier that would have been refilled (thus stopping flow to the outfall) while the inspection was on-going. In addition, staff was also prepared to pump down the chlorine contact tank to a sludge drying bed for further storage capacity (this water would be dechlorinated and ultimately decanted back to the headworks). Plant staff is currently working with Ballard on a schedule for completing the inspection process.

On June 4, staff discovered that the ABB Model SM500F video chart recorder used to monitor and record plant flow and chlorine residual was not operational. They contacted the manufacturer

and staff at Alpha Electric in an attempt to repair the chart recorder. Staff purchased a new ABB Model 500F and the unit was installed and operational on June 8. The existing unit was repaired and will serve as a back up should the need arise. Due to the problems noted with the video chart recorder, no value for the instantaneous maximum flow was reported for June 4 to June 9.

On June 6, staff discovered a problem with the oxygen sensor on the atmospheric monitoring system used to monitor the headworks influent channel screening area. They contacted the manufacturer in an attempt to correct the problem. Staff was informed that the oxygen sensor had failed and needs to be replaced and calibrated. A new sensor was ordered and will be installed upon arrival.

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for May 2011

The following reports were submitted to the CIWQS electronic reporting system:

- The May 2011 Monthly Monitoring Data

During the month of June, plant staff continued with efforts for protection of critical plant facilities against moderate flooding. This project is designed to protect critical buildings and equipment in the event of moderate flooding at the plant. The flood proofing includes construction of flood walls to protect motor control centers (MCC) while still allowing access into the MCCs, installation of flood gates on some doors of the MCCs, and raising equipment as necessary to get above a flood elevation of thirty inches.

On June 21, Mr. Elano Galvez of the California Dept of Health Services (DHS) performed a site visit/inspection of the treatment plant laboratory. The inspection is a component of the plant's laboratory recertification process for the Environmental Laboratory Accreditation Program (ELAP). On June 27, staff received a letter from Mr. Galvez that stated, "*No deficiencies were noted during the inspection relative to prescribed method practices or quality data you're the laboratory. We will recommend that your laboratory be granted renewal certification for all the analytes and methods that you have applied for renewal provided all Performance Evaluation Sample results are acceptable.*" Staff has implemented several recommendations discussed with Mr. Galvez during the lab inspection.

On June 10, laboratory staff submitted the results for Water Pollution -196 Performance Testing (WP – 196) to the accredited provider, Environmental Resource Associates (ERA). Staff is currently awaiting the results of the study from ERA. WP-196 is an annual testing program that the laboratory is required to participate in as a component of the labs certification through the Environmental Laboratory Accreditation Program (ELAP). Results of the WP-196 study will be forwarded to staff at ELAP as well as the State Water Resources Control Board. For the year 2011, WP-196 replaces the Discharge Monitoring Report-Quality Assurance (DMR-QA) Study that is usually sponsored by the United States Environmental Protection Agency (USEPA) on an annual basis.

During June, plant staff continued to investigate possible solutions to the struvite problem that has been noted at the plant. Plant staff began a sampling program for phosphates in the collection system. Phosphates can be a critical component in the formation of struvite. Struvite, which is crystal like material, appears to be building up in the discharge piping of the digesters. Staff is concerned that the crystal like material will build up in the discharge piping of the digesters, and potentially impact the hydraulic capacity of those pipelines. Plant staff is currently in contact with various vendors and other treatment facilities in an attempt to correct the problem.

On June 28, Mr. Randy Freidlander from the CalRecycle – Compliance and Enforcement Division toured the composting site at the plant. This was his final inspection following notice by plant staff that the composting operation is no longer in operation. He ensured that the site has been restored per 14 CCR 1780.

On June 7, Mr. David Bierman received notice that he had passed his Grade II Wastewater Operator certification exam. Mr. Bierman is currently a Grade I Operator at the plant.

On June 16, Mr. John Gunderlock received notice that he had passed his Grade V Wastewater Operator certification exam. Mr. Gunderlock is currently employed as a Grade II Operator at the plant.

The National Estuary Program Volunteer Monitoring Program continued analysis of bacterial samples collected from throughout the watershed in the laboratory at the plant. The volunteers are using space provided in the lab by plant staff.

The permanent household hazardous waste collection facility (PHHWCF) at the plant continued to be well used by the public. Between twenty and fifty participants are using the facility each Saturday.

Bruce Keogh
Wastewater Division Manager
Lab/C/Bruce/Monthlys/June 2011

2009	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%	# of days	Dates
	JAN	30.46 8	0.98 3	7.585	0.23 7	24.9%	22.88 3	0.73 8	75.1%	32
FEB	33.47 9	1.19 6	8.968	0.33 2	26.8%	24.51 1	0.87 5	73.2%	27	Feb 2 - Feb 28, 2009
MAR	33.97 5	1.09 6	7.973	0.25 7	23.5%	26.00 2	0.83 9	76.5%	31	Mar 1 - March 31, 2009
APR	33.84 1	1.12 8	7.341	0.24 5	21.7%	26.50 0	0.88 3	78.3%	30	April 1 - April 30, 2009
MAY	33.55 8	1.08 3	7.495	0.24 2	22.3%	26.06 3	0.84 1	77.7%	31	May 1 - May 31, 2009
JUNE	32.98 0	1.09 9	7.849	0.26 2	23.8%	25.13 1	0.83 8	76.2%	30	June 1-30, 2009
JULY	39.57 8	1.27 7	10.03 4	0.32 4	25.4%	29.54 4	0.95 3	74.6%	31	July 1 - July 31, 2009
AUG	35.66 4	1.15 0	8.843	0.28 5	24.8%	26.82 1	0.86 5	75.2%	31	Aug 1 - Aug 31, 2009
SEPT	30.36 7	1.01 2	7.219	0.24 1	23.8%	23.14 8	0.77 2	76.2%	30	Sept 1 - Sept 30, 2009
OCT	31.33 8	1.01 1	7.873	0.25 4	25.1%	23.46 5	0.75 7	74.9%	31	Oct 1 - Oct 31, 2009
NOV	30.23 7	1.00 8	7.181	0.23 9	23.7%	23.05 6	0.76 9	76.3%	30	Nov 1 - Nov 30, 2009
DEC	33.26 1	1.07 3	8.260	0.26 6	24.8%	25.00 1	0.80 6	75.2%	31	Dec 1 - Dec 31, 2009
ANNUAL AVERAGES	33.22 9	1.09 3	8.052	0.26 5	24.2%	25.17 7	0.82 8	75.8%		
2010	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%	# of days	Dates
JAN	42.05 3	1.35 7	11.05 8	0.35 7	26.3%	30.99 5	1.00 0	73.7%	31	Jan 1-Jan 31, 2010
FEB	35.43 2	1.26 5	9.845	0.35 2	27.8%	25.58 7	0.91 4	72.2%	28	Feb 1-Feb 28, 2010
MAR	36.20 4	1.16 8	9.396	0.30 3	26.0%	26.80 8	0.86 5	74.0%	31	March 1 - 31, 2010
APR	34.48 1	1.14 9	8.560	0.28 5	24.8%	25.92 1	0.86 4	75.2%	30	April 1 - April 30, 2010
MAY	34.14 1	1.10 1	8.059	0.26 0	23.6%	26.08 2	0.84 1	76.4%	31	May 1 - 31, 2010
JUNE	33.55 0	1.11 8	8.109	0.27 0	24.2%	25.44 1	0.84 8	75.8%	30	June 1-30, 2010
JULY	39.62 6	1.27 8	10.69 5	0.34 5	27.0%	28.93 1	0.93 3	73.0%	31	July 1-31, 2010
AUG	37.91 9	1.22 3	8.993	0.29 0	23.7%	28.92 6	0.93 3	76.3%	31	August 1-31, 2010
SEPT	31.98 4	1.06 6	7.510	0.25 0	23.5%	24.47 4	0.81 6	76.5%	30	September 1-30, 2010
OCT	32.14 4	1.03 7	7.490	0.24 2	23.3%	24.65 4	0.79 5	76.7%	31	October 1-31, 2010
NOV	31.51	1.05	7.885	0.26	25.0%	23.62	0.78	75.0%	30	November 1-30, 2010

DEC	2 44.37 8	0 1.43 2	3 14.06 1	0.45 0.4 4	31.7%	7 30.31 7	0.97 0.9 8	68.3%	31	December 1-31, 2010
ANNUAL AVERAGES	36.11 9	1.18 7	9.305	0.30 6	25.6%	26.81 4	0.88 1	74.4%		
2011	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%	# of days	Dates
JAN	42.33 8	1.36 6	12.08 9	0.39 0	28.6%	30.24 9	0.97 6	71.4%	31	Jan 1-Jan 31, 2011
FEB	35.60 0	1.27 1	9.674 6	0.34 6	27.2%	25.92 6	0.92 6	72.8%	28	Feb 1-Feb 28, 2011
MAR	47.88 7	1.54 5	13.77 0	0.44 4	28.8%	34.11 7	1.10 1	71.2%	31	March 1 - 31, 2011
APR	38.93 7	1.29 8	9.117 4	0.30 4	23.4%	29.82 0	0.99 4	76.6%	30	April 1 - April 30, 2011
MAY	37.09 2	1.19 7	8.704 1	0.28 1	23.5%	28.38 8	0.91 6	76.5%	31	May 1 - 31, 2011
JUNE	37.76 9	1.25 9	9.381 3	0.31 3	24.8%	28.38 8	0.94 6	75.2%	30	June 1-30, 2011
JULY	0.000 0	0.00 0	0.000 0	0.00 0	#DIV/0 !	0.000 0	0.00 0	#DIV/0 !	31	July 1-31, 2011
AUG	0.000 0	0.00 0	0.000 0	0.00 0	#DIV/0 !	0.000 0	0.00 0	#DIV/0 !	31	August 1-31, 2011
SEPT	0.000 0	0.00 0	0.000 0	0.00 0	#DIV/0 !	0.000 0	0.00 0	#DIV/0 !	30	September 1-30, 2011
OCT	0.000 0	0.00 0	0.000 0	0.00 0	#DIV/0 !	0.000 0	0.00 0	#DIV/0 !	31	October 1-31, 2011
NOV	0.000 0	0.00 0	0.000 0	0.00 0	#DIV/0 !	0.000 0	0.00 0	#DIV/0 !	30	November 1-30, 2011
DEC	0.000 0	0.00 0	0.000 0	0.00 0	#DIV/0 !	0.000 0	0.00 0	#DIV/0 !	31	December 1-31, 2011

STAFF REPORT

MORRO BAY-CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT

To: Honorable Mayor and City Council, City of Morro Bay
Honorable President and Board of Directors, Cayucos Sanitary District

From: Dennis Delzeit, P.E., Project Manager

Date: August 1, 2011

Subject: Status Report on Upgrade Project as of August 1, 2011

Recommendation: Receive the Status Report and direct staff accordingly.

Activity During the Past Month:

The following is a condensed summary of the activity that has occurred since the July 12, 2011 monthly status report:

- The public comment period deadline for the rough screening alternative sites evaluation closed on July 15;
- Public comments were received through the project website online submission form, as well as in hard-copy written, emailed and/or faxed formats, and have been compiled. Topical responses to all comments received will be provided in an appendix to the rough screening alternative sites evaluation report;
- Dudek has submitted the draft rough screening alternative sites evaluation template to the MBCSD staff and project manager for review and comment;
- Dudek has revised the rough screening alternative sites template and initiated the technical analysis.

Looking Ahead:

Upcoming activities will be involved with the preparation of the substantial issues studies. The following activities are anticipated:

- A meeting with Coastal Commission staff has been scheduled for August 25 in Santa Cruz. The meeting will be attended by Dudek, MBCSD staff and the project manager.
- The draft rough screening alternative sites evaluation is scheduled to be presented to the JPA at the September 8, 2011 meeting.

Fiscal Impact:

- No new expenditures are requested at this time.

Discussion/Project Overview:

Major Milestone Schedule

- Council certified the EIR and approval of the Conditional Use Permit and Coastal Development Permit January 11, 2011
- Deadline for Coastal Commission Appeals January 31, 2011
- Coastal Commission *substantial issue* hearing March 11, 2011
- Coastal Commission *de novo* hearing Not scheduled
- Public Outreach/Workshops June 27 & 28, 2011
- Deadline for the rough screening public comments period July 15, 2011
- Coastal Commission staff level meeting in Santa Cruz August 25, 2011
- **Draft Rough Screening Alternative Sites Evaluation presentation to the JPA** **September 8, 2011**
- Submit SRF loan application to the State Board On hold
- Issuance of SRF Financing Agreement On hold
- Submit first SRF disbursement request to State Board On hold
- Completion of the Design On hold
- Advertise for Construction Bids On hold
- Receive Construction Bids On hold
- Award Construction Contract, after receiving State Revolving Fund Loan Approval On hold
- Start Construction On hold
- Completion of Construction On hold
- Achieve full compliance with federal secondary treatment Requirements Extended per *force majeure* action

Substantial Issues Study:

Dudek contract Fee Status:

- Contract Amount: \$345,485.00
- Amount invoiced to date, 7/22/11: \$ 17,807.35
- Amount remaining in contract \$327,677.65
- Percent of contract billed: 5%

Design:

No design work has been done the past month. Final design of the project will resume after completion of the Coastal Commission Appeal Process.

MWH Contract Fee Status:

- Contract Amount: \$2,700,000.00
- Addendum #1, updated flows and loadings: \$ 9,000.00
- Addendum #2, advanced treatment options: \$ 9,600.00
- Addendum #3, updated cost estimate \$ 18,700.00
- Revised MWH Contract Amount: \$2,737,300.00

- Amount Billed to Date: \$ 469,858.82
- Amount Remaining: \$2,230,141.18
- Most Recent Billing Amount (5/20/11)¹ \$ 29,849.74
- Percent of Contract Billed: 17%

California Coastal Commission Coastal Land Use and Advocacy Consultant Services:

The McCabe & Company contract is currently suspended.

- Invoice 4/11/11: \$12,500 + \$857.47² = \$13,347.57
- Invoice 5/3/11: \$12,500 + \$98.28³ = \$12,598.28
- Invoice 6/3/11: \$12,500 + \$4,032⁴= \$16,532.00
- Total billings from start of contract to suspension: \$42,477.85⁵

State Revolving Fund Loan:

- The State Revolving Fund loan process is on hold for due to the *force majeure* time extension.

Project Manager Activities:

- Prepared and submitted the monthly report to the RWQCB;
- Prepared the monthly status report;
- Updated the web site information;
- Coordinated with MBCSD staff and Dudek and revised the final draft work scope for the substantial issues studies;
- Reviewed and commented on the McCabe invoice;
- Kick off meeting with Dudek on 6-13-11;
- Assisted in information gathering for the Dudek studies;
- Coordinated the workshop notice;
- Reviewed the PowerPoint presentation draft prepared by Dudek;
- Responded to public inquiries;
- Preparation and participation in the 6-27 and 6-28 public workshops.
- Dennis Delzeit's Contract Fee Status:
 - Original Contract amount: \$250,000.00
 - Contract Amendment (PERC) \$ 3,000.00
 - Revised Contract Amount: \$253,000.00
 - Amount billed to date: \$103,351.30
 - Amount remaining: \$149,648.70
 - Most Recent Billing Amount (7/9/11) \$ 5,737.68
 - Percentage of contract billed: 41%

It is estimated that the \$253,000 project limit will be reached around July 2012.

¹ The 5/2/11 invoice is for services rendered 1/1/11 through 1/28/11. MWH work was suspended on 11/19/10 except for completion of surveying, geotechnical report, floor plan layout and support at the PC and CC meetings in support of the permits.

² Travel expenses to Morro Bay and the Santa Cruz Coastal Commission hearing on 3/11/11. The contract fee is \$12,500 per month plus outside expenses.

³ Conference calls outside expenses.

⁴ This is the prorated fee from March 22 through 31 that was not previously billed.

⁵ This is the total fee for services from the beginning to the suspension of the contract.

Attachment:
None

STAFF REPORT

MORRO BAY/CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT

To: Honorable Mayor and City Council, City of Morro Bay
Honorable President and Board of Directors, Cayucos Sanitary District

From: Susan Slayton, Finance Director

Date: July 20, 2011

Subject: Fiscal Year 2011/12 Budget

RECOMMENDATION

That the Board of Directors of the Cayucos Sanitary District accepts this report by motion.

SUMMARY

The City of Morro Bay presents the 2011/12 budget to the Board of Directors of the Cayucos Sanitary District. Detailed notes on the revenues and expenditures are attached.

FISCAL IMPACT

Expenses:		
Operations	\$	1,881,980
General Fund administration		<u>30,000</u>
Total expenses		<u>1,911,980</u>
Revenues:		
Services		<u>1,911,980</u>
Revenues over/under expenses	\$	<u><u>0</u></u>

Budget Worksheet Report

Account Number	Description	2007 Actual Amount	2008 Actual Amount	2009 Actual Amount	2010 Actual Amount	2011 Amended Budget	2012 Budget Allocation						
Fund	599 MB/CS Waste Water Fund												
Revenue													
Department	5255 Wastewater Treatment												
<u>Revenues From Current Services</u>													
3499	Other Rev/Current Svc	\$1,287,361.91	\$1,649,735.56	\$2,096,781.31	\$2,080,458.47	\$3,374,986.00							
Total: Revenues From Current Services		\$1,287,361.91	\$1,649,735.56	\$2,096,781.31	\$2,080,458.47	\$3,374,986.00							
<u>Miscellaneous Revenues</u>													
3913	Sale of Real Property	\$1,700.00	\$0.00	\$0.00	\$0.00	\$0.00							
3990	Other Misc. Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							
Total: Miscellaneous Revenues		\$1,700.00	\$0.00	\$0.00	\$0.00	\$0.00							
Department Total: Wastewater Treatment		\$1,289,061.91	\$1,649,735.56	\$2,096,781.31	\$2,080,458.47	\$3,374,986.00							
Expenses													
Department	5255 Wastewater Treatment												
<u>Personnel Services</u>													
4110	Regular Pay	\$383,199.27	\$420,610.26	\$430,709.98	\$445,947.39	\$463,275.00	463,621						
4120	Overtime Pay	\$6,587.00	\$4,547.31	\$4,339.60	\$8,480.81	\$5,000.00	10,000						
4310	Part-Time Pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							
4510	Acting Pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							
4515	Standby Pay	\$10,916.00	\$11,010.00	\$11,910.00	\$12,670.00	\$12,775.00	12,775						
4520	Cafeteria Pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							
4599	Other Pay	\$0.00	\$1,282.63	\$1,333.49	\$1,303.23	\$2,000.00	2,000						
4910	Employer Paid Benefits	\$213,423.26	\$234,792.71	\$246,440.36	\$258,352.36	\$260,481.00	289,510						
4999	Labor Costs Applied	\$0.00	(\$22,971.24)	\$0.00	\$19.48	\$0.00							
Total: Personnel Services		\$614,125.53	\$649,271.67	\$694,733.43	\$726,773.27	\$743,531.00	777,906	X					
<u>Supplies</u>													
5101	Janitorial Supplies	\$861.06	\$922.30	\$1,329.14	\$788.82	\$1,250.00	1,250						
5105	First Aide Supplies	\$365.36	\$132.47	\$144.06	\$169.87	\$500.00	500						
5106	Photographic Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							
5108	Communication Supplies	\$167.31	\$0.00	\$378.20	\$390.52	\$500.00	1,700						
5109	Uniforms/Safety Equipment	\$8,295.99	\$8,034.09	\$6,949.07	\$15,578.51	\$10,000.00	12,000						
5110	Fuel Oil & Lubricants	\$3,659.99	\$3,585.96	\$3,986.32	\$5,802.71	\$4,000.00	5,000						
5112	Lab Supplies	\$15,621.06	\$14,594.40	\$26,988.16	\$17,523.38	\$16,500.00	16,500						
5120	Chemical Supplies	\$69,992.96	\$76,915.77	\$112,148.43	\$115,910.96	\$95,000.00	120,000						
5125	Repairs/Maint. Materials	\$0.00	\$575.33	\$2,500.00	\$0.00	\$500.00	500						

Budget Worksheet Report

5170	Computer Paper	\$0.00	\$0.00	\$0.00	\$246.81	\$0.00			
5175	Computer Operating Supp.	\$0.00	\$1,480.23	\$1,614.23	\$907.07	\$1,500.00	1,500		
5199	Misc. Operating Supplies	\$1,308.87	\$1,621.36	(\$2,960.44)	\$621.68	\$1,500.00	1,500		
5301	General Office Supplies	\$1,274.34	\$1,194.31	\$808.89	\$960.91	\$1,200.00	1,200		
5302	Copying Supplies	\$253.69	\$42.63	\$451.67	\$364.23	\$500.00	500		
5303	Books & Manuals	\$223.08	\$49.00	\$0.00	\$0.00	\$100.00	100		
5305	Forms Printing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
5501	Grounds Maint. Supplies	\$2,866.97	\$1,386.81	\$1,071.75	\$1,449.05	\$2,500.00	2,500		
5502	Building Maint. Supplies	\$5,419.91	\$1,018.36	\$13,163.60	\$15,179.55	\$15,000.00	12,000		
5503	Rolling Stock Supplies	\$0.00	\$149.00	\$0.00	\$0.00	\$0.00			
5504	Machinery/Equip/Supplies	\$56,241.64	\$119,278.55	\$52,675.55	\$56,004.13	\$60,000.00	76,000		
5530	Small Tools	\$1,753.34	\$1,950.45	\$2,050.91	\$2,155.73	\$2,000.00	2,000		
Total: Supplies		\$168,305.57	\$232,931.02	\$223,299.54	\$234,053.93	\$212,550.00	254,750	X	
Services									
6101	Legal Services	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00	-		
6103	Financial Audits	\$7,811.74	\$4,175.00	\$7,820.76	\$5,900.00	\$6,000.00	6,000		
6104	Engineering Services	\$0.00	\$0.00	\$0.00	\$82,702.53	\$105,000.00	60,000		
6105	Consulting Services	\$7,963.03	\$14,211.70	\$40,786.15	\$23,345.10	\$25,000.00	25,000		
6106	Contractual Services	\$168,899.43	\$180,740.53	\$192,222.14	\$191,076.96	\$195,000.00	205,000		
6107	Promotion & Advertising	\$0.00	\$165.58	\$0.00	\$0.00	\$0.00			
6125	Professional Development	\$1,908.07	\$2,097.27	\$1,800.59	\$1,802.85	\$2,500.00	2,500		
6160	Vehicle Inspections	\$209.15	\$0.00	\$0.00	\$0.00	\$250.00	250		
6161	Licenses & Permits	\$0.00	\$0.00	\$3,000.00	\$0.00	\$6,000.00	6,000		
6162	Mandated Fees/Inspections	\$19,386.68	\$18,862.21	\$8,566.76	\$17,028.84	\$26,000.00	26,000		
6199	Other Professional Svc	\$776.28	\$1,412.04	\$845.38	\$983.19	\$1,500.00	1,500		
6201	Telephone	\$1,596.97	\$1,428.15	\$1,316.77	\$1,767.74	\$2,000.00	2,000		
6220	Postage	\$0.00	\$21.13	\$123.09	\$19.42	\$0.00			
6231	Pager Services	\$192.48	\$192.48	\$202.91	\$195.36	\$0.00			
6300	Utilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
6301	Electricity	\$110,512.15	\$106,328.47	\$123,103.62	\$131,105.99	\$119,909.00	120,000		
6302	Natural Gas	\$15,391.69	\$22,513.01	\$16,539.98	\$3,376.44	\$10,000.00	5,000		
6303	Water	\$7,327.50	\$8,301.58	\$6,368.59	\$5,453.70	\$7,500.00	7,500		
6305	Disposal	\$0.00	\$0.00	\$672.17	\$733.32	\$600.00	600		
6306	Special Waste Recycling	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
6307	Disposal of Sludge	\$10,656.24	\$7,265.61	\$9,549.68	\$11,149.70	\$12,500.00	12,500		
6399	Other Utilities	\$13,988.52	\$13,924.38	\$17,023.57	\$15,560.93	\$14,000.00	14,000		
6401	General Liability	\$14,845.00	\$14,845.00	\$14,845.00	\$42,031.00	\$42,031.00	50,316		

Budget Worksheet Report

6411	Property Damage Ins.	\$21,568.00	\$21,568.00	\$19,442.54	\$1,130.00	\$1,130.00	1,130			
6421	Boiler Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6472	Other Ins./Employee Bond	\$60.47	\$66.07	\$0.00	\$91.00	\$91.00	134			
6473	Vehicle Insurance	\$300.00	\$300.00	\$300.00	\$244.00	\$244.00	244			
6499	Earthquake & Flood Insurance	\$0.00	\$204,249.00	\$158,541.00	\$163,388.43	\$180,000.00	170,000			
6502	Shipping & Moving	\$694.22	\$829.81	(\$1,752.88)	\$1,154.02	\$1,000.00	1,000			
6510	Meetings & Conferences	\$0.00	\$0.00	\$28.25	\$61.95	\$300.00	-			
6511	Mileage Reimbursement	\$0.00	\$0.00	\$0.00	\$16.50	\$0.00				
6514	Travel Expense	\$1,044.59	\$873.55	\$815.39	\$427.68	\$1,500.00	1,500			
6519	Association Membership	\$0.00	\$0.00	\$0.00	\$0.00	\$150.00	150			
6601	Outside Equip. Repair/Mat	\$55,451.83	\$105,403.51	\$203,574.03	\$122,049.14	\$117,500.00	100,000			
6602	Outside Structural Repair	\$7,415.00	\$15,096.00	\$21,145.48	\$424.95	\$30,000.00	20,000			
6603	Outside Ground Repair	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6604	Outside Vehicle Repair/Maint	\$4,168.43	\$556.27	\$351.38	\$51.75	\$2,500.00	2,500			
6640	Maintenance Contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6701	Outside Clerical/Sec. Svc	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6720	Medical Examinations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6810	Equipment Rental	\$721.64	\$0.00	\$0.00	\$657.50	\$2,500.00	2,500			
<u>Total: Services</u>		\$472,889.11	\$745,426.35	\$847,232.35	\$823,929.99	\$912,905.00	843,324			
<u>Capital Outlay</u>										
7102	Buildings & Structures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
7201	Automobiles	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
7203	Other Maintenance Vehicle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
7301	Machinery Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
7302	Equipment Acquisition	(\$15,906.25)	\$0.00	\$0.00	\$0.00	\$0.00				
7311	Office Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
7499	Other Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Capital Outlay</u>		(\$15,906.25)	\$0.00	\$0.00	\$0.00	\$0.00	-			
<u>Interfund Transfers</u>										
8510	Transfer To General Fund	\$44,700.18	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Interfund Transfers</u>		\$44,700.18	\$0.00	\$0.00	\$0.00	\$0.00	-			
<u>Other Expense</u>										
8720	Rent Distribution	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
8721	Payment To Other Agency	\$0.00	\$25,672.71	\$38,124.48	\$32,308.52	\$30,000.00	30,000			
8730	Cap. Asset Depreciation	\$496,756.69	\$492,304.77	\$500,740.96	\$497,179.17	\$0.00				
8735	Gain/Loss on Assets	\$647.65	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Other Expense</u>		\$497,404.34	\$517,977.48	\$538,865.44	\$529,487.69	\$30,000.00	30,000			

Budget Worksheet Report

Department Total: Wastewater Treatment	\$1,781,518.48	\$2,145,606.52	\$2,304,130.76	\$2,314,244.88	\$1,898,986.00	1,905,980			
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Department	7710 Interfund Transactions								
<u>Interfund Transfers</u>									
8410 Intrafund Expense Trans.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
8510 Transfer To General Fund	\$0.00	\$0.00	\$2,122.98	\$0.00	\$6,000.00	6,000			
8540 TRFR To Capital Imp Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Interfund Transfers</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2,122.98</u>	<u>\$0.00</u>	<u>\$6,000.00</u>	<u>6,000</u>			
Department Total: Interfund Transactions	\$0.00	\$0.00	\$2,122.98	\$0.00	\$6,000.00	6,000			

Department	8010 Install Metering Manhole								
<u>Personnel Services</u>									
4999 Labor Costs Applied	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Personnel Services</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	-			
<u>Supplies</u>									
5307 Blueprint/Doc Reproduced	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
5504 Machinery/Equip/Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Supplies</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	-			
<u>Services</u>									
6106 Contractual Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6199 Other Professional Svc	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6601 Outside Equip. Repair/Mat	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Services</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	-			
<u>Capital Outlay</u>									
7302 Equipment Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Capital Outlay</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	-			
Department Total: Install Metering Manhole	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-		

Department	8011 Digester #2 Clean/Coat								
<u>Supplies</u>									
5305 Forms Printing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
5504 Machinery/Equip/Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Supplies</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	-			
<u>Services</u>									
6106 Contractual Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6502 Shipping & Moving	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6601 Outside Equip. Repair/Mat	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				

Budget Worksheet Report

6602	Outside Structural Repair	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Services</u>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-			
<u>Capital Outlay</u>										
7302	Equipment Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Capital Outlay</u>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-			
Department Total: Digester #2 Clean/Coat		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-			

Department		8433 WWTP Upgrade Design								
<u>Personnel Services</u>										
4999	Labor Costs Applied	\$0.00	\$0.00	\$0.00	\$29,699.30	\$0.00				
<u>Total: Personnel Services</u>		\$0.00	\$0.00	\$0.00	\$29,699.30	\$0.00	-			
<u>Supplies</u>										
5199	Misc. Operating Supplies	\$0.00	\$0.00	\$0.00	\$1,507.76	\$0.00				
5307	Blueprint/Doc Reproduced	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Supplies</u>		\$0.00	\$0.00	\$0.00	\$1,507.76	\$0.00	-			
<u>Services</u>										
6104	Engineering Services	\$0.00	\$0.00	\$0.00	\$82,774.03	\$0.00				
6105	Consulting Services	\$0.00	\$0.00	\$0.00	\$10,624.00	\$0.00				
6106	Contractual Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6199	Other Professional Svc	\$0.00	\$0.00	\$0.00	\$0.00	\$1,470,000.00				
6510	Meetings & Conferences	\$0.00	\$0.00	\$0.00	\$72.15	\$0.00				
<u>Total: Services</u>		\$0.00	\$0.00	\$0.00	\$93,470.18	\$1,470,000.00	-			
Department Total: WWTP Upgrade Design		\$0.00	\$0.00	\$0.00	\$124,677.24	\$1,470,000.00	-			

Department		8438 WWTP Master Plan (JPA)								
<u>Services</u>										
6104	Engineering Services	\$0.00	\$0.00	(\$16,011.71)	\$44,517.60	\$0.00				
6510	Meetings & Conferences	\$0.00	\$0.00	\$57.57	\$0.00	\$0.00				
<u>Total: Services</u>		\$0.00	\$0.00	(\$15,954.14)	\$44,517.60	\$0.00	-			
<u>Capital Outlay</u>										
7102	Buildings & Structures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Capital Outlay</u>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-			
Department Total: WWTP Master Plan (JPA)		\$0.00	\$0.00	(\$15,954.14)	\$44,517.60	\$0.00	-			

Department		8462 WWTP Environmental Permit								
<u>Personnel Services</u>										
4999	Labor Costs Applied	\$0.00	\$0.00	\$0.00	\$4,654.91	\$0.00				

Budget Worksheet Report

<u>Total: Personnel Services</u>	\$0.00	\$0.00	\$0.00	\$4,654.91	\$0.00				
<u>Services</u>									
6161 Licenses & Permits	\$0.00	\$0.00	\$0.00	\$5,300.00	\$0.00				
<u>Total: Services</u>	\$0.00	\$0.00	\$0.00	\$5,300.00	\$0.00	-			
<u>Capital Outlay</u>									
7102 Buildings & Structures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
<u>Total: Capital Outlay</u>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-			
Department Total: WWTP Environmental Permit	\$0.00	\$0.00	\$0.00	\$9,954.91	\$0.00	-			

Department	9904	Repair Digester 1 & 3							
<u>Supplies</u>									
5106 Photographic Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
5504 Machinery/Equip/Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
<u>Total: Supplies</u>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-		
<u>Services</u>									
6104 Engineering Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
6106 Contractural Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
6601 Outside Equip. Repair/Mat	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
6602 Outside Structural Repair	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
<u>Total: Services</u>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-		
<u>Capital Outlay</u>									
7301 Machinery Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
<u>Total: Capital Outlay</u>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-		
Department Total: Repair Digester 1 & 3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-		

Budget Notes for FY11-12

These notes provide an explanation for all the line items in the budget. The notes include which line items have changed from the preceding years-fiscal budget or provide further discussion for clarification. Staff attempted to prioritize the projects that they believe need immediate attention in this fiscal year. Staff is concentrating on projects that are required to keep the plant operating efficiently and safely. Discussions of the projects that are above and beyond basic O&M costs are included at the end of the line item discussion.

It is important to note that major tasks required to upgrade the treatment plant are on-going at this time. Consultants are under contract for the design, project management services, and the coastal appeals process.

Upgrade Related Expenses:

The major on-going issue is the upgrade of the treatment process. As the issue is brought before the JPA, direction and action plans may be recommended that will require allocating additional funding during the FY11-12 fiscal year.

Facility Master Plan: Funding is included to complete the Facility Master Plan (Task #2), the second phase of which is allocated at \$54,899 (these funds may not be expended this fiscal year or ever based on the upgrade process to date). These funds are allocated and tracked in capital project number: Dept 8438 – WWTP Master Plan.

Environmental Review Process: The contract with ESA for the Environmental Review and Permitting process (Task #3) was completed in January 2011 when the City Council certified the final Environmental Impact Report and issued the Coastal Development Permit for the project. The final cost for the ESA contract was \$377,317.90. These funds are allocated and tracked in capital project number: Dept 8462 – Environmental Permit.

Design Process: There is currently \$2.7M in funding allocated for design (Task #4). It is important to note that the design contract with MWH has been suspended pending the outcome of the Coastal Appeals process. These funds are allocated and tracked in capital project number: Dept 8433 – WWTP Upgrade Design.

Project Management: The MBCSD currently has a contract for Project Management Services for a fee not to exceed \$253,000. To date MBCSD has been invoiced for \$81,197.06. The PM services are expected to be required throughout FY11-12. These funds are allocated and tracked in capital project number: P0232 – 1103: WWTP Project Management.

Coastal Appeals Process: Funding is allocated for both the Coastal Land Use Consultant, McCabe & Co. as well as for the Alternatives Analysis Study that will be conducted by Dudek. The contract with McCabe & Co is for a flat rate of \$12.5K per month. That contract will be suspended as of May 1, 2011 awaiting the outcome of the Alternative Analysis Study. The contract with Dudek for the Alternatives Study is for a not to exceed amount of \$350K. The funds for this study will need to be allocated in FY11-12. The funds for both these contracts are allocated and tracked in capital project number P0004 – 1105: Coastal Appeals Process

Additional funding may be required if unforeseen circumstances arise.

5 Year Capital Improvements Plan:

Staff reviewed the 5-Year CIP program developed by Cannon Associates as part of the budget preparation process. Staff is recommending that not all items identified in the 5 Year CIP be included in the FY11/12 budget. Staff is only recommending those projects that are necessary to keep the plant operating efficiently and safely. It is important to note that the CIP was developed based on the premise that the upgrade would be complete and on-line in March 2014. Staff is recommending that any potential revisions to the CIP occur after the Alternatives Analysis Study

is complete, and MBCSD has a better understanding of the time schedule required to complete the upgrade process.

Pro Rata Share of Flow

Operating expenses for the plant are paid by the City and District on a pro rata share of flow. For the FY 07-08 through March (nine months of the fiscal year) the flow breakdown is 26.5% for the CSD and 73.5% for the City.

Personnel:

4110-Regular Pay: Increase this line item to \$463,621 from \$463,275 per figures provided by finance. These figures could vary slightly based on the outcome of the on-going labor negotiations with the employment groups at the City.

4120-Overtime: Maintain this line item at \$10,000. This reflects historic expenditure levels.

4515-Standby Pay: Maintain this line item to \$12,775. The present MOU states that standby pay will be paid at a rate of \$35 per day.

4599-Other: Maintain this line item at \$2,000, it reflects historical spending.

4910-Employer Paid Benefits: Increase this line item to \$289,510 from \$260,481 per finance recommendations. These figures could vary slightly based on the outcome of the on-going labor negotiations with the employment groups at the City.

4999-Labor Applied: Provided by finance.

Supplies:

5101- Janitorial: Maintain at \$1250, it reflects historic budgeting levels.

5105 – First Aide: Maintain at \$500, it reflects historic budget levels.

5108 – Communication Supplies: Increase this line item to \$1700 from \$500. Funding would be used to purchase new batteries for the existing hand held radios at the plant, and the purchase of two new hand held radios.

5109 – Uniforms: Increase this line item to \$12,000 from \$10,000. Funding would be allocated to uniforms (annual cost of \$8,400), the MOU required boot allowance (\$1,200). Additional funding is for the purchase of a new confined space atmospheric monitor, upgrades to equipment for confined space entry, and other safety related equipment.

5110-Fuel, Oil, Lubricants: Increase this line item to \$5,000 from \$4,000 to reflect historic spending levels and increased fuel and oil costs. This line item covers fuel costs for the two plant trucks, diesel fuel for the emergency generator, fuel for the front-end loader when we use it, and miscellaneous oils, greases and lubricants for plant equipment. Staff has more closely tracked fuel costs for the vehicles and loader, which average approximately \$150 per month. Any additional funds reflect expenditures for oils and lubricants required for equipment maintenance from this line item.

5112-Laboratory Supplies/ Chemicals: Maintain this line item at \$16,500. The funds will cover costs associated with the operation of a State certified laboratory, including annual quality assurance tests required by ELAP and the USEPA. Daily lab procedures have increased due to ELAP requirements and increased in-house monitoring required to keep the plant operating efficiently.

5120-Chemical Supplies: Increase this line item to \$120,000 from \$95,000 to reflect historic expenditure levels. Sodium hypochlorite prices have increased dramatically over the past years and remain very volatile due to the market price for caustic (a basic ingredient of hypochlorite). In addition, the delivery fees for both sodium hypochlorite and sodium bisulfite have increased due to higher fuel costs. Plant staff also purchases freeze dried beneficial bacteria (for the secondary or biological processes) and microorganisms from this account, these bugs help stabilize the biological processes following a plant upset. They have been instrumental in keeping the plant performing at an efficient level.

5125 – Repair/ Maintenance: Maintain this line item at \$500 to reflect historic spending. Funds in this line item are for asphalt, sand, and other supplies used for road and facilities maintenance.

5175 – Computer Supplies: Maintain this line item at \$1500. It reflects historic budget levels for purchase of required computer supplies.

5199 - Misc Supplies: Maintain this line item at \$1500. It reflects historic budget levels.

5301 – General Office Supplies: Maintain this line item at \$1,200. It reflects historic budget levels.

5302 – Copies: Maintain this line item at \$500. It reflects historic budget levels.

5303 – Books: Maintain this line item at \$100. It reflects historic budget levels.

5305 – Forms: No funds budgeted.

5501 – Ground Supplies: Maintain this line item at \$2,500. Funds in this line item are for expenses related to grounds maintenance at the plant.

5502 – Building Maint. Supplies: Decrease this line item to \$12,000 from \$15,000. Funds in this line item would replace four explosion proof lighting fixtures in the area around the grit chamber and the digester area. The existing lights were installed with the plant upgrade in 1984, and are in various states of disrepair. They are a key safety issue when working at night. Cost estimates provided for the purchase and installation for this project is \$4,000 or approximately \$1,000 per light. Additional funding would be for the replacement of exhaust fans on the administration building required to bring the lab fume hood up to code.

5503 – Rolling Stock: No funds budgeted.

5504-Machinery and Equipment Supplies: Increase this line item to \$76,000 from \$60,000. The funds in this line item allow for in-house repairs of plant equipment by staff required to keep the plant operating efficiently and with in regulatory compliance. Repair and maintenance costs are expected to increase as the plant ages. The additional funds are for three projects. The three projects are the purchase of a new RAS blower (\$5,000), purchase of new chemical pumps (\$8,000), purchase of vacuum and pressure relief valves (\$3,000). A more detailed description of this project is contained in the projects section below.

5530-Small Tools: Maintain this line item at \$2,000. The increased funds will allow staff to purchase the tools required to properly and professionally maintain the equipment in the plant.

Services:

6101 Legal: Maintain this line item at \$200. It reflects historic budget levels.

6103 – Financial Audits: Maintain this line item at \$6,000. It reflects historic budget levels.

6104 – Engineering Services: Decrease this line item to \$10,000 from \$105,000. The FY10-11 budget allocated \$100K for the internal video inspection of the outfall that is currently in progress. Historically funding in this line item was for engineering services required for minor projects or emergency repairs.

6105-Consulting Services: Maintain this line item at \$25,000. Funds in this line item are for consulting services required for permit compliance related issues, emergency repairs, and the wwtp upgrade process.

6106-Contractual Services: Increase this line item to \$205,000 from \$195,000. The annual contract with Marine Research Specialists for the Offshore Monitoring Program contains an annual escalator that is referenced to the Engineering News Record inflation index, which increased by 2.6% between May 2010 and May 2011. If this annual increase remains steady into July, the Base Program Costs (FY06-07) is estimated at approximately 201,000. Any additional funds would cover any extra scope costs incurred.

6125 – Professional Development: Maintain at \$2500, it reflects historic budgeting levels. Funds in this line item are for mandatory staff training, and other schools and training programs.

6160 - Vehicle Inspection: Maintain at \$250, it reflects historic budgeting levels.

6161-License and Permit Fees: Maintain this line item at \$6,000. Plant staff recommends that this line item contain funds for possible mandatory fines. The \$6,000 included in this line item has been set aside for the payment of two minimum mandatory penalties at \$3,000 per penalty.

6162-Mandated Fees/Inspections: Maintain this line item at \$26,000. This funding level more accurately reflect expenditures. Fees paid out of this line item include: fees for the NPDES permit (\$10,743), Waste Discharge Permit Fee (\$4,798), APCD permit (\$1,737.49), SLO County Hazardous Materials permit (\$437), annual outfall inspection (\$3,000), Operator certificate renewal fees (\$1015), and ELAP certification fees (\$2,500).

6199-Other Professional Services: Maintain this line item at \$1500. It reflects historic budget levels.

6201 – Telephone: Maintain at \$2000, it reflects historic budgeting levels.

6220 – Postage: No funds budgeted in this line item.

6231- Pager Service: Maintain this line item at \$0. Plant personnel have switched from a pager to a cell phone for after hours emergency notification.

6301-Electricity: Maintain this line item at \$120,000. This reflects expenditures in this line item over the last two fiscal years.

6302-Natural Gas: Decrease this line item to \$5,000 from \$10,000. This decrease reflects the significant improvement in boiler efficiency following the boiler retrofit project that was completed in FY09-10. The natural gas requirement at the plant can be very variable depending on the operational status of the digesters, whether we are cleaning digesters, or there is an operational problem with a digester limiting digester gas production, forcing staff to rely on natural gas as well as digester gas to heat the digesters.

6303- Water: Maintain this line item at \$7500. This reflects expenditures in this line item over the last two fiscal years.

6305 – Disposal: Maintain this line item at \$600. Funds are for garbage disposal from the plant.

6307-Disposal of Sludge: Decrease this line item to \$12,500 from \$15,000. Historic sludge disposal costs average approximately \$11,000. The additional funds are allocated for required sampling and analysis and any unforeseen contingencies.

6399 Other Utility: Maintain this line item at \$14,000 to reflect expenditures from this line item over the past two years. Funds for this line item are for grit disposal.

6401-General Liability: Provided by risk management.

6411-Property Damage Insurance: Provided by risk management.

6472- Other Insurance: Provided by risk management.

6473-Vehicle Insurance: Provided by risk management.

6499-Other Insurance Premiums: Provided by risk management.

6502- Shipping: Maintain this line item at \$1,000. Funds are used for shipment of equipment during repairs and maintenance.

6510 – Meetings: Decrease this line item to \$0 from \$300. Funds in this line item are covered under 6125 professional development.

6514 – Travel Expense: Maintain at \$1500, it reflects historic budgeting levels and provides funding for travel while attending conferences, seminars, and training programs.

6519 – Association Membership: Maintain at \$150, it reflects historic budgeting levels. Funding in this line item allows us to be a member of the California Water Environment Association.

6601-Outside Equipment Repair and Maint: Decrease this line item to \$100,000 from \$117,000. Historically this line item has been budgeted at \$60,000. These funds allow for the repair and maintenance of equipment by contractors as required throughout the year. Staff has identified projects that are above and beyond the funds historically budgeted. The additional \$33,000 in funding is for the following three projects. The three projects are: replacement of digester piping (\$15,000), replacement of the grit bins (\$10,000), and replacement of the waste gas burner assembly (\$15,000). A more detailed description of the projects is contained in the projects section below.

6602 – O/S Structural: Decrease this line item to \$20,000 from \$30,000. The increased funds are for temporary flood control measures at the existing plant. Funds in this line item are also for building and facility maintenance by contractors.

6603 - O/S Ground:

6604 – O/S/ Vehicle: Maintain this line item at \$2,500. Funds in this line item are for the purchase of new tires for the front end loader. Any additional funds would be used for the repair of the plants vehicles.

6810 – Equip Rental: Maintain this line item at \$2,500. Funds are for emergency rental equipment in the event of unforeseen circumstances.

7301 – Mach. Acqui:

7302 - Equip Acqui: Decrease this line item to \$0 from \$20,000. There are no capital purchases anticipated during this budget cycle.

8510 – T/Gen Fund: Finance to provide.

8530 – T/Spec Rev: Finance to provide.

8710 – Loss on inv: Finance to provide.

8720 – Rent Dist: Finance to Provide

8721 – Payment O/A: Per finance.

8730 – Deprn: Finance to provide

8735 – Gain/Loss on assets: Finance to provide

Project Descriptions:

Purchase of a new Return Activated Sludge Blower (RAS): Line item 5504: This would replace the one of the existing two RAS blowers currently in operation. This blower is approaching the end of its useful life. These units are a critical component of the secondary treatment system. Estimated cost is \$5,000.

Purchase of new grit bins: Line item 6601: This would replace the two grit bins currently in service with new grit bins (the current grit bins are one cubic yard roll offs). The current bins are badly corroded, have been repaired numerous times over the past few years, and are no longer cost effective to repair. Estimated cost is \$10,000.

Purchase of a new waste gas burner assembly: Line item 6601: The current waste gas burner has experienced problems with the electronic ignition to keep the flame lit continuously. This can cause both a regulatory compliance issue with the Air Pollution Control District as well as a potential safety concern. This project would upgrade the burner assembly and ignition system. Estimated cost is \$15,000.

Purchase of new chemical dosing pumps: Line item 5504: This project would replace the chemical dosing pumps used for both disinfection as well as dechlorination. The purchase of new pumps will improve reliability as well as provide spare pumps should the need arise. Estimated cost for this project is \$8,000.

Purchase of new vacuum and pressure relief assemblies: Line item 5504: This project would replace the existing vacuum and pressure relief assemblies located on the three digesters. These are vital safety components and must be replaced every two years. Estimated cost \$3,000.

Digester piping project: Line item 6601: This project would replace the existing expansion tank on the digester gas manifold that collects digester gas and feeds it to the boilers used to heat the digesters. The expansion tank and associated piping are badly corroded and are no longer cost effective to repair. Estimated cost \$15,000.

STAFF REPORT

MORRO BAY-CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT

To: Honorable Mayor and City Council, City of Morro Bay
Honorable President and Board of Directors, Cayucos Sanitary District

From: Bruce Keogh, Wastewater Division Manager

Date: July 29, 2011

Subject:

Consideration and Discussion of a Proposal from Central Coast Water Treatment DBA: Culligan Industrial (CCWT) for Brine Disposal

Recommendation:

This Department recommends that following consideration and discussion of this item that the Council and District Board approve of the brine disposal concept; direct staff to notify the Regional Water Quality Control Board (RWQCB) of MBCSD's intent to discharge brine; and direct staff to develop a permit and agreement with CCWT for brine disposal.

Fiscal Impact:

At this time there is no fiscal impact. If the Board and Council agree to accept this proposal then there is the potential for revenue to be generated, the amount would depend on the quantity of brine discharged and the associated fee. There will be some operational expense associated with this proposal, but those expenses are expected to be minimal.

Summary:

City staff has been contacted by CCWT to discuss the feasibility of disposing of brine generated by CCWT in the ocean outfall for the treatment plant. A copy of the proposal from CCWT is attached. Historically they have utilized the ocean outfall for the South County Sanitation District (South County) for disposal of their brine. Due to mechanical issues at South County they are not currently accepting brine, but do intend to allow this discharge in the future once the mechanical issues have been resolved.

If the Council and District Board approve of this concept, the next step would be to notify the Regional Water Quality Control Board (RWQCB) of our intent to discharge brine. Following approval by RWQCB, City staff would prepare a brine disposal permit for CCWT.

Background:

Central Coast Water Treatment is a Culligan franchise that sells water softeners and RO systems to Commercial /Industrial customers. They also rent and regenerate DI (deionized) tanks that produce pure water for labs, wineries, car lots, etc. CCWT is owned by the three other local Residential Culligan franchises (Morro Bay, Santa Maria, and Lompoc). The brine comes from the regeneration of CCWT's DI tanks. Prior to December 2010, CCWT had been transporting their brine to the South County WWTP for disposal in the Districts ocean outfall. The brine generated by CCWT has a total dissolved solids (TDS) concentration of between 30,000 and 60,000 parts per million (ppm). For comparative purposes, sea water has a TDS of approximately

35,000 ppm. They pay a tipping fee of \$11.25 per 1000 gallons (\$.01125 per gallon) of brine delivered. For the period July 2009 to December 2010, they averaged 32,818 gallons of brine per month with an average monthly fee of \$369. Due to the temporary mechanical problems noted above, CCWT is currently trucking brine to the Santa Paula area for disposal via an outfall in that area. They are paying \$150 per 1000 gallons (\$.15 per gallon) at the Santa Paula facility.

CCWT has a permit with the South County that limits the quantity of brine that can be discharged (50,000 gallons per day, but they are well below that limit), the manner of introduction into the outfall, and any testing requirements prior to disposal. A copy of the CCWT permit and associated monitoring results are included in the attached proposal. They are currently required to test for pH, conductivity (measure of total dissolved salts), selected salts, and metals.

Staff from CCWT has indicated that even if they are allowed to continue to dispose of brine at South County they would like to have a back up plan in the event that their normal disposal option is unavailable for any reason.

Discussion:

No water quality issues are expected based on the limited quantity of brine proposed for disposal. Any brine disposal permit issued would be modeled after the South County permit for CCWT and would contain monitoring and reporting requirements for parameters such as pH, Total Dissolved Solids (TDS), and selected metals that would be protective of the receiving waters. In addition, the South County permit contains provisions for indemnifying South County and has provisions for suspension of the permit.

City staff did discuss the possibility of utilizing the plants ocean outfall for disposal of brine from CCWT with RWQCB staff. They were supportive of this concept and feel that ocean outfalls are appropriate choices for disposal of brine solutions provided adequate monitoring and reporting requirements are in place. There was discussion concerning the regulatory requirements and potential modifications to the NPDES permit for the MBCSD treatment plant. RWQCB staff indicated they felt the NPDES permit could be administratively amended provided the quantity of brine was limited to the amounts similar to those currently being disposed of by CCWT. They also indicated that they would like the brine discharge introduced upstream of the plants effluent sampling location so that a representative sample of effluent is collected for analysis. This could be accomplished by introducing the brine in to the outfall immediately after the chlorine contact chamber and upstream of the effluent monitoring station.

Staff also spoke with staff at the Monterey Regional Water Pollution Control Agency (MRWPCA) that provides a similar service to brine generators throughout the Monterey area. They allow brine generators to dispose of brine either through the outfall or by concentrating brine in on-site storage ponds for later disposal at the landfill. They have pursued this program to enhance their water reclamation program by reducing the TDS of their effluent. They currently charge \$.04 per gallon (\$40 per 1000 gallons) for customers within their service area and \$.07 per gallon (\$70 per 1000 gallons) for customers outside their service area.

If the Council and District Board approve of this proposal, the City would prepare and issue a permit similar to the permit issued by South County. The permit would:

- Limit the type of waste to be discharged to brine waste
- Establish a fee schedule
- Establish a maximum daily volume of brine, based on the historical volumes delivered by CCWT, for example, the total volume could be limited to 50,000 gallons a month with a

daily maximum volume of 10,000 gallons (the current permit with South Coast Sanitation is 50,000 gallons per day).

- Limit disposal hours from 10am to 2pm Monday through Friday (provides for maximum dilution of brine during peak flow periods)
- Provide for indemnification of the City and District
- Contain provisions for the suspension of the permit

Tipping fees generated from the brine disposal would need to be established. As noted above, there are widely varying fees for brine disposal depending on the facility accepting the brine. Staff would recommend that the tipping fees be modeled on MRWPCA's disposal fee of \$.07 per gallon (\$70 per 1000 gallons), as CCWT is not in the MBCSD service area. Based on historical average volumes (32,000 gallons per month) revenue could range from \$360 (at \$.01125 per gallon) to \$2240 (at \$.07 per gallon) per month. In addition, staff would recommend that revenues be cost apportioned between the City and District on the basis of ownership rather than pro rata share of flow. This would result in a cost split of 65% to the City and 35% to the District.

Expenses associated with this proposal should be minimal. There will be some costs associated with installing the piping system for introducing the brine into the outfall. There will also be some nominal staffing costs associated with checking in and monitoring of the trucks bringing brine to the plant. Those costs would be tracked and the tipping fee could be adjusted as required to cover expenses.

The current proposal is for a limited volume of brine disposal. If successful, other brine generators may be interested in a similar concept, especially as salt management programs develop within the watershed. Salt management programs are being developed to facilitate basin-wide management of salts and nutrients from all sources in a manner that optimizes recycled water use while ensuring protection of groundwater supply and beneficial uses, agricultural beneficial uses, and human health. RWQCB currently has salt management programs in the Monterey region as well as the area around Hollister California.

It should be noted, that the City and District have a settlement agreement that prohibits the discharge of brine from the City's desalination facility into the outfall. This settlement agreement does not preclude consideration of proposals for brine disposal from other sources such as CCWT.

Conclusion:

This Department recommends that following consideration and discussion of this item that the Council and District Board approve of the brine disposal concept; direct staff to notify the Regional Water Quality Control Board (RWQCB) of MBCSD's intent to discharge brine; and direct staff to develop a permit and agreement with CCWT for brine disposal.

July 21, 2011
Bruce Keogh
Waste Water Treatment plant Division manager
160 Atascadero rd.
Morro Bay CA, 93442

Attention: Bruce Keogh

Central Coast Water Treatment DBA: Culligan Industrial, request for an Authorization Permit to deliver city water and salt brine waste to Morro Bay Waste Treatment Plant for disposal.

Central Coast Water Treatment DBA: Culligan Industrial is requesting an authorization permit for the disposal of salt brine waste at the Morro Bay Waste Water Treatment Plant. This proposal reflects the same conditions that based the approval with South San Luis Obispo County Sanitation District. The salt brine was sampled 24 times from 8 Sep 2009 to 16 Dec 2010. The samples on a monthly basis were combined and sent to Creek/Abalone lab for independent testing with the results compiled by Wallace group. The salt brine was tested for sodium, chloride, total dissolved solids, copper, zinc and the results are well under the maximum limit by South San Luis Obispo Sanitation District. The approximate average amount of salt brine waste Central Coast Water Treatment DBA: Culligan Industrial will be disposing is 31,000 gallons monthly; that is well below the daily amount of 50,000 gallons set by South San Luis Obispo County Sanitation District.

Attached are the data enclosures ; South San Luis Obispo County Sanitation District Brine Disposal Waste Permit, Number of brine hauls per month, total brine haul in gallons and the monthly testing report.

Sincerely:

A handwritten signature in black ink, appearing to read "Arby Kitzman". The signature is fluid and cursive, with the first name "Arby" being more prominent than the last name "Kitzman".

Arby Kitzman



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
<http://www.sslocsd.org/>

BRINE DISPOSAL WASTE PERMIT

Permit Issued To: Central Coast Water Treatment,
966 Huber Street
Grover Beach, CA 93433

PHONE: Days: 805-481-4590

Evenings: 805-680-2560

DATE OF ISSUANCE: September 4, 2009

EXPIRATION DATE: June 30, 2010

WASTE TYPE: City Water and Salt Brine

FEE RATE: \$11.25/1000 gal (subject to change)

\$10,000 DEPOSIT OR BOND

DATE: January 15, 2003

ACCOUNT NUMBER: M507299

\$425.00 ONE-TIME APPLICATION FEE:

DATE: Paid – March 2003

\$500.00 INITIAL ANNUAL PERMIT FEE:

DATE: Paid – June 30, 2002

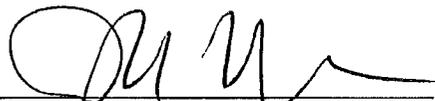
\$500.00 ANNUAL PERMIT FEE:

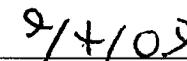
DATE: June 30, 2009

COMMENTS: Annual Permit Fee due June 30, 2010

The Permittee is authorized to discharge salt brine to the turn-out structure pipeline connection and metering facilities in compliance with the conditions outlined in Attachment A. The permittee has an Application and Agreement on file with the District, which by reference is incorporated herein as if fully set forth.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT


DISTRICT ADMINISTRATOR


DATE

CENTRAL COAST WATER TREATMENT


GENERAL MANAGER


DATE

**Attachment A
PERMIT CONDITIONS**

1. Permittee recognizes that the use of District's facilities to dispose of salt brine waste into the Pacific Ocean is a privilege. The permit issued by the District is required prior to any discharge.
2. A non-hazardous waste manifest must accompany all loads.
3. Permit suspension can occur at the discretion of the District or upon violation of permit requirements.
4. Hazardous wastes as defined in Title 22, Division 4.5, Chapter 11, Article 1 of the California Code of Regulations §66231.3 are prohibited.
5. This permit is not transferable.
6. This permit is subject to the District's current Pretreatment Ordinance as required by the District.
7. Subject to Annual Review.
8. A Chain of Custody shall be required for all discharges into the outfall line.
9. Brine Station hours of operation are as follows: Monday through Friday – 8:00 AM to 3:00 PM.
10. Permittee is aware that the District is limited to 50,000 gallons of brine per day. Discharges will not be allowed in excess of the daily allowance. Permittee acknowledges that this could result in the Permittee's inability to discharge on a particular day where the 50,000 gallon limitation has been reached or may be limited to that amount which can be discharged without violation of the 50,000 gallon per day limitation.
11. The brine shall not cause the District to exceed its waste discharge permit in any manner and the brine shall not include constituents other than those identified in the applicant's application on file herein. Those concentrations are as follows:

Constituent	Limit	Test
Copper	5.0 mg/l	*Every Load
Sodium	38,000 mg/l	Monthly
Chloride	110,000 mg/l	Monthly
Total Dissolved Solids	200,000 mg/l	Monthly
Copper	5.0 mg/l	Monthly
Zinc	11.96 mg/l	Monthly

Constituent	Limit	Test
Arsenic	4.82 mg/l	Annually
Cadmium	0.66 mg/l	Annually
Chromium	1.33 mg/l	Annually
Lead	1.33 mg/l	Annually
Mercury	26.48 ug/l	Annually
Nickel	3.32 mg/l	Annually
Selenium	1.0 mg/l	Annually
Silver	0.44 mg/l	Annually

* CCWT will self-analyze each load for Copper using a Hach Colorimeter or other appropriate instrument. CCWT will put test result on a log sheet to be kept for 3 years. It is understood that these test results are to be used by CCWT as an initial determination if a load is suitable for discharge. If results indicate a Copper concentration greater than 4.5 mg/l the load shall not be disposed of at SSLOCSD. A separate sample shall then be sent to a certified lab for reanalysis and the Plant Superintendent and District Engineering Staff shall be contacted to determine resolution.

12. The Permittee shall submit monthly reports from a California certified Environmental Laboratory Accreditation Program (ELAP) laboratory of analytical results from samples taken from their discharge. Monthly reports shall be submitted to the District to the attention of the Plant Superintendent by the 15th of the following month.
13. District reserves the right to test salt brine discharge into its system at its discretion. Any violation of this permit's limitations or of any other District, State or Federal law regulating regarding said discharge shall result in all costs being charged to Permittee.
14. Permittee shall use an identified dedicated delivery vehicle to deliver brine to the District. Further, the permittee guarantees and warrants that the delivery vehicle is free of any other contaminant or constituent that would affect the discharge and its compliance with said permit.
15. Except as otherwise provided in subparagraphs (b) and (c) below, Permittee shall defend, indemnify and save harmless the District, its officers and employees, from any and all claims, demands, damages, costs, expenses, judgements, attorney fees or any liability arising out of this contract or attempted performance of the provisions hereof predicated upon theories set forth below in subparagraph (a) below:
 - A. The theories referred to above are theories based on any of the following committed by the Permittee, or its agents, employees, or for independent contractors including but not limited to trucking companies and their employees directly responsible to Permittee;
 1. Violation of statute, ordinance or regulation.

2. Willful, intentional or other wrongful acts or failures to act.
3. Negligence or recklessness.

- B. Nothing contained in the foregoing indemnity provision shall be construed to require indemnification for claims resulting from the sole or active negligence or willful misconduct of the District, provided however, this exception shall not apply to claims, demands, damages, costs, expenses, judgments, or attorney fees arising from any design defects.
- C. Nothing contained in the foregoing indemnity provisions shall be construed to require Permittee to indemnify District, against any responsibility or liability in contravention of Civil Code 2782.

South San Luis Obispo Sanitation District
 Brine Disposal Sept 2009 - 2010
 Monthly Report from CCWT

2009 Monthly Reporting - all data in mg/l or ppm

Month - Date Sampled	Sodium		Chloride	Chloride Limit	Total Dissolved Solids	TDS Limit	Copper	Copper Limit	Zinc	Zinc Limit	Exceed? (Yes/No)
	Limit	Sodium									
8-Sep-09	38000	4030	18800	110,000	42219	200000	0.394	5	1.2	11.96	No
30-Oct-09	38000	12000	20000	110,000	32500	200000	0.81	5	ND	11.96	No
24-Nov-09	38000	9900	20,000	110,000	32100	200000	0.44	5	1.2	11.96	No
21-Dec-09	38000	11000	20000	110,000	33500	200000	0.43	5	0.52	11.96	No

2010 Monthly Reporting - all data in mg/l or ppm

Month - Date Sampled	Sodium		Chloride	Chloride Limit	Total Dissolved Solids	TDS Limit	Copper	Copper Limit	Zinc	Zinc Limit	Exceed? (Yes/No)
	Limit	Sodium									
20-Jan-10	38000	15000	22000	110,000	35100	200000	0.37	5	ND	11.96	No
18-Feb-10	38000	11900	22700	110,000	33800	200000	0.682	5	ND	11.96	No
26-Mar-10	38000	12200	17200	110,000	32600	200000	ND	5	ND	11.96	No
21-Apr-10	38000	10500	17400	110,000	27600	200000	0.901	5	ND	11.96	No
26-May-10	38000	12600	23100	110,000	36400	200000	ND	5	ND	11.96	No
*JUNE	38000			110,000		200000		5		11.96	
July 29, 2010	38000	15000	24000	110,000	46200	200000	0.43	5	0.33	11.96	No
24-Aug-10	38000	14000	23000	110,000	37000	200000	1.8	5	5.6	11.96	No
27-Sep-10	38000	17000	27000	110,000	45700	200000	0.88	5	3.3	11.96	No
25-Oct-10	38000	15000	26000	110,000	46740	200000	0.45	5	0.57	11.96	No
	38000			110,000		200000		5		11.96	
	38000			110,000		200000		5		11.96	

* June results not available due to contact laboratory (Carlucci Labs - San Luis Obispo) suddenly going out of business.

**SSLOCSO - CCWT Brine Results
2010 Monthly Reporting - all data in mg/l or ppm**

Month - Date Sampled	Sodium		Chloride	Chloride Limit	Total Dissolved Solids	TDS Limit	Copper	Copper Limit	Zinc	Zinc Limit	Exceed? (Yes/No)
	Sodium	Sodium Limit									
20-Jan-10	15000	38000	22000	110,000	35100	200000	0.37	5	ND	11.96	No
18-Feb-10	11900	38000	22700	110,000	33800	200000	0.682	5	ND	11.96	No
26-Mar-10	12200	38000	17200	110,000	32600	200000	ND	5	ND	11.96	No
21-Apr-10	10500	38000	17400	110,000	27600	200000	0.901	5	ND	11.96	No
26-May-10	12600	38000	23100	110,000	36400	200000	ND	5	ND	11.96	No
June		38000		110,000		200000		5		11.96	
July 29, 2010	15000	38000	24000	110,000	46200	200000	0.43	5	0.33	11.96	No
24-Aug-10	14000	38000	23000	110,000	37000	200000	1.8	5	5.6	11.96	No
27-Sep-10	17000	38000	27000	110,000	45700	200000	0.88	5	3.3	11.96	No
25-Oct-10	15000	38000	26000	110,000	46740	200000	0.45	5	0.57	11.96	No
16-Nov-10	16000	38000	25000	110,000	44660	200000	0.72	5	1.1	11.96	No
16-Dec-10	16000	38000	25000	110,000	43440	200000	0.82	5	1.2	11.96	No

* June results not available due to contract laboratory (Centaur Labs - San Luis Obispo) suddenly going out of business

Brine Hual
 South SLO County Sanitation District

Date	Gallons	Rate (per gal)	Total Cost	
July, 2009	12,402	0.01125	\$	139.52
Aug, 2009	15,957	0.01125	\$	179.52
Sept, 2009	32,535	0.01125	\$	366.02
Total	60,894		\$	685.06
Oct, 2009	38,251	0.01125	\$	430.32
Nov, 2009	36,359	0.01125	\$	409.04
Total	74,610		\$	839.36
Dec, 2009	34,091	0.01125	\$	383.52
			\$	-
Jan, 2010	30,002	0.01125	\$	337.52
Feb, 2010	26,516	0.01125	\$	298.31
March, 2010	34,457	0.01125	\$	387.64
April, 2010	33,067	0.01125	\$	372.00
May, 2010	43,253	0.01125	\$	486.60
June, 2010	42,809	0.01125	\$	481.60
July, 2010	44,514	0.01125	\$	500.78
Aug, 2010	39,111	0.01125	\$	440.00
Sept, 2010	40,570	0.01125	\$	456.41
Oct, 2010	35,220	0.01125	\$	396.23
Nov, 2010	31,092	0.01125	\$	349.79
Dec, 2010	20,525	0.01125	\$	230.91
Total	421,136		\$	4,737.78

