

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

AGENDA

MEETING DATE:

6:00 p.m., Thursday, June 14, 2012

MEETING PLACE:

Cayucos Veterans Hall
10 Cayucos Drive
Cayucos CA 93430

HOSTED BY:

Cayucos Sanitary District

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 APRIL 12, 2012 JPA MEETING

Recommendation: Approve as submitted

A-2 WWTP OPERATIONS REPORT THROUGH APRIL, 2012

Recommendation: Approve as submitted

B. OLD BUSINESS

B-1 STATUS REPORT ON UPGRADE PROJECT AS OF JUNE 1, 2012

Recommendation: Receive the Status Report and direct staff accordingly

C. NEW BUSINESS

C-1 CONSIDERATION TO ADOPT FISCAL YEAR 2012/2013 WWTP BUDGET

Recommendation: That the Board of directors of the Cayucos Sanitary District approve the FY 2012/2013 budget

C-2 AUDIT CONTRACT EXPIRATION

Recommendation: Receive the Staff Report and direct staff accordingly

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.

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

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

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

MEETING DATE:

6:00 p.m., Thursday, April 12, 2012

HOSTED BY:

Cayucos Sanitary District

MEETING PLACE:

Cayucos Veterans Hall
10 Cayucos Drive
Cayucos, CA 93430

CALL TO ORDER AND ROLL CALL

President Enns called the meeting to order at 6:09 p.m.

Morro Bay City Council present were, Vice-Mayor Nancy Johnson, Councilmembers Noah Smukler, Carla Borchard and George Leage. Mayor Yates was absent.

Cayucos Sanitary District Board members present were President Robert Enns, Vice-President Hal Fones, Directors Shirley Lyon, Michael Foster and Dan Chivens.

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

Cayucos staff present were Interim District Manager Rick Koon, Lewis Brookins, Anita Rebich, Danielle Crawford and District Council Tim Carmel.

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.

President Enns opened Public Comment.

- Barry Branin – Referenced an article in the Bay News regarding solar panels and their ability to reduce costs and compared this to the relocation of the WWTP and things to look at to reduce the costs to the citizens in the future.
- Joan Solu, Morro Bay – She questioned a letter to the editor in the Bay News that stated costs to build the new WWTP. She referred to the Dudek study and gave various site costs for building and operating the WWTP at those sites. The mention of a boutique hotel's suitability for the current site of the WWTP and its ability to improve the area she stated was impossible with the other current surrounding businesses and operations; the feasibility of anything other than the WWTP on the existing property was not fiscally responsible.
- Jennifer Blonder, Vice-Chair of SLO Chapter Surfrider Foundation – She asked that we really consider the environment when making our decision. She likens this project to putting duct tape on a flat tire.
- Steve Hennigh, Cayucos – Wants to see his business continue. The environment will dictate where the plant ends up; look what happened in Japan with their nuclear power plant. He wrote an appeal to the CCC and it was accepted, please listen to Mother Nature.

Hearing no further comments President Enns closed Public Comment.

A. CONSENT CALENDAR

1. MINUTES OF JANUARY 12, 2012 JPA MEETING

MORRO BAY MOTION: Borchard made a motion to approve the Consent Calendar Item A1 as presented. Smukler 2nd. Motion passed (4-0)

CAYUCOS MOTION: Fones made a motion to approve Consent Calendar Item A1. Lyon 2nd. Motion passed (5-0).

2. MINUTES OF MARCH 8, 2012 JPA MEETING

MORRO BAY MOTION: Smukler made a motion to approve Consent Calendar Item A2. Borchard 2nd. Motion passed (4-0).

CAYUCOS MOTION: Fones made a motion to approve Consent Calendar Item A2. Chivens 2nd. Motion passed (5-0).

3. STATUS REPORT ON CURRENT BIOSOLIDS PRACTICES

Keogh presented his report on the current solids handling operations at the WWTP.

Smukler asked about long term outlook for biosolids due to the loss of digestors and space constraints. Keogh responded the solids from oxygen ditches are different, they have increased odors and vector issues, but he believes they are still compostable. He assured Smukler that the operators of the WWTP would attempt to minimize cost and maximize usage with whatever they are given.

Smukler then questioned the number of truck trips reported in Keogh's report versus the draft EIR. Keogh explained the numbers used in the draft EIR were for 10yd containers whereas we currently use 30yd containers for hauling, and these numbers also represented maximum buildout capacity of 1.5mgd. Keogh spoke with Pismo Beach whos design is similar to ours; they are operating at 1.2mgd currently and are hauling 2 trucks per week to the same Liberty Composting Company.

Smukler concluded that the service of composting is a benefit to the community and would like to see it continue.

Enns questioned are we looking for 100% composting.

Smukler responded he's not saying we should change the design to accomplish a specific recycling figure, but would like to see at least what we have been doing and if possible be as self sufficient as we can and eliminate as much trucking as possible.

Enns replied he understands we will be doing a much better job taking the sludge out of what we are given but on the other hand it creates this issue of what to do with it. Enns said there has been discussion within the County regarding the creation of a regional composting facility and he looks forward to seeing if that is something the County can establish.

President Enns opened Public Comment.

- Betty Winholtz, Morro Bay – Agrees with Smukler, the number of truck trip differences between the two reports is startling.

Hearing no further comments President Enns closed Public Comment.

Enns referred back to the previous explanation that Keogh gave in that the draft EIR, it used 10yd trucks in its figures and we actually use 30yd.

Keogh responded that is correct and that again Pismo Beach is a perfect example of what we would do since they are practically a mirror of our size and use. He continued on to address Winholtz' question on the volume variance of biosolids produced annually, this varies based on plant efficiency and also the volume increases when the digestors are cleaned.

President Enns introduced Rick Koon, the new Interim District Manager for Cayucos Sanitary District and asked that Rick give a brief background on himself.

B. OLD BUSINESS

1. STATUS REPORT ON UPGRADE PROJECT AS OF APRIL 1, 2012

Recommendation: Receive the Status Report and direct staff accordingly

Delzeit presented the status report. He also reported that the de novo hearing with the CCC is still possible for June, if not June then August is next date.

Smukler asked for exact dates of the June and August CCC meetings.

Delzeit responded he didn't have a calendar so exact dates were not available but he believed June 13-15 and August 8-10, 2012

President Enns opened Public Comment.

- Richard Margetson, Cayucos – Asked which CCC commissioners had already been met with and which ones are being met with next meeting, are we planning on meeting with all 12 and is Ms. McCabe going to be present at those meetings.

Hearing no further comments President Enns closed Public Comment.

Delzeit responded Ms. McCabe is the one who arranges all the meetings with the CCC and she attends all the meetings. He isn't sure if they will be able to meet with all 12 commissioners, some prefer not to meet. To date they have met with Commissioners Blank, Mitchell, Brennan, Bloom and tomorrow with Kinsey.

2. STATUS REPORT ON SERVICES OF COASTAL LAND USE CONSULTANT: MCCABE AND COMPANY

Recommendation: Board and Council consent to the continuation of McCabe & Company's coastal development permit appeal consulting services

Delzeit presented his report.

Wade stated in the meetings he has attended with the CCC, he was impressed with Ms. McCabe and the doors she opened to the CCC. Her input and insight has helped facilitate the communications on this project with the CCC.

Rob Livick concurs with Wade on the influence Ms. McCabe has had on opening doors to the CCC and feels this would not have been possible without Ms. McCabes assistance.

Smukler questioned why we still need McCabe and the additional monies to be spent for her services. If the hearing date is in June, or even August, why not proceed on a month-to-month basis for her services. He still sees no performance incentive and feels we have an opportunity to suspend her contract during this down time awaiting the CCC staff report and subsequent hearing.

Johnson responded she doesn't see "down time" it appears Ms. McCabe has been busy.

Foster commented that he has not been a supporter of the McCabe contract from the beginning, but the negotiations and discussions, they have basically put a cap on the amount we spend with Ms. McCabe. We are more than half way through the contract and should see the greatest bang for our buck in the second half of her contract. Foster sees more upside than downside and stated we need to go forward to see the full benefits.

President Enns opened Public Comment.

- Betty Winholtz, Morro Bay - Asked 4 questions of the JPA Board & Council: 1) Why is this report of McCabe's only through February, where are March costs? 2) Once this part of the CCC process is done does Dudek then it pick up or is Dudek involved now? 3) If Dudek is involved now, why do we have both McCabe and Dudek involved at the same time since they are both lobbyists, are we being double billed? 4) Is confused as to why City staff is attending these CCC meetings when we have hired these other people to do this. Winholtz stated we would get a permit with or without Ms. McCabe; it just may not look like the one we want.
- Marla Jo Bruton, Morro Bay - Commented that it's been stated in the past it's not hard to lobby the CCC, staff could easily perform this task; she has met with CCC herself. She feels we are over-lobbying and not listening to what the public wants.
- Jennifer Blonder, Morro Bay - After she heard what we are paying the lobbyist she feels she's in the wrong business as a school teacher. If the project is as good as we say we shouldn't need a lobbyist to sell it to the CCC.

- Richard Margetson, Cayucos – Access to the CCC isn't that hard. Los Osos CSD had many meetings with the CCC. In calculating it out, we are spending \$30,000 per commissioner. Why was staff at the meetings, and why couldn't they lobby or ask the questions. The County isn't using a lobbyist on the Los Osos sewer project which is the most controversial project this County has seen. You need it in writing that Ms. McCabe will see this project through until the end for the \$155,000.
- Dorothy Fones, Cayucos – She agrees with Joan Solu's previous comments. People come month after month and say the same thing every time. They don't represent the communities; they are just a select few. We need a voice (McCabe) to counter the community members acting as independent lobbyists talking to the CCC.
- Steve Hennigh, Cayucos - Not to be redundant, but he hasn't been to a meeting for probably 9 months. This is their time to speak. The reason we have a lobbyist is because we have a project that can't sell its own merits.

Hearing no further comments President Enns closed Public Comment.

Smukler stated that they had a packed house with the Alternatives workshops and quite a varied crowd, we need more public input. He asked if McCabe's services will continue through this permit appeals and farther.

Delzeit responded that McCabe has capped her contract monetarily and will go through the entire permit appeals process for the \$155,000.

CAYUCOS MOTION: Foster moved to retain McCabe on the existing consultant contract modified to a maximum of \$155,000 through the permit appeals process of the WWTP. Lyon 2nd. Motion passed (5-0).

MORRO BAY MOTION: Borchard moved to retain McCabe on the existing consultant contract modified to a maximum of \$155,000 through the permit appeals process of the WWTP. Leage 2nd. Smukler voted no. Motion passed (3-1)

C. NEW BUSINESS

1. PRESENTATION OF DRAFT 2012 RECYCLED WATER FEASIBILITY STUDY

Recommendation: Board and Council receive the presentation of the draft 2012 Recycled Water Feasibility Study

Delzeit presented a PowerPoint recap of the Draft 2012 Recycled Water Feasibility Study prepared by Dudek along with additional comparative information on similar Districts and their recycled water programs.

There was discussion amongst Board and Council on the presentation; Borchard asked about the feasibility of groundwater recharge which was explained would be quite costly in terms of pumping due to distance from injection point to extraction point, well relocation and mineral and debris removal. Smukler isn't comfortable with the findings, feels the State water project going forward is unclear as to availability and cost. Smukler feels we are not valuing recycled water like we should and the cost estimates presented are very short term. There was concern expressed on the future of ocean outfall being allowed by the State and alternatives should ocean outfall be eliminated. Chivens asked staff about probability of the Prop 84 grant application. Wade presented a couple scenarios and concluded \$40,000 is the portion Morro Bay was asking for a regional reclaimed water study. Foster asked if the math on the figures presented are in the full report, it was confirmed they are.

President Enns opened Public Comment.

- Marla Jo Bruton, Morro Bay – Stated she finds this water comparison study interesting especially with Los Osos. She said we heard Los Osos is very motivated with respect to recycled water due to high nitrates in their upper aquifer and seawater intrusion in the lower aquifer. She attended a RWQCB meeting last month and saw a slide show prepared by staff that talked about nitrate contamination in water in California and more specifically on the Central Coast. They showed highly impacted nitrate contamination in municipal drinking water wells from Salinas through Santa Maria. She wasn't expecting to see Morro Bay (with \$1.5m next to it) on the list with Salinas, King City and San Girardo as the top 4 for highly impacted nitrate contamination in municipal drinking water. She is attempting to get information from the RWQCB on where their data came from. The next slide had the highest priority for the RWQCB and only 3 of the 4 previous cities were listed, Morro Bay was not on the high priority list. She was told to ask the City of Morro Bay where that \$1.5 million came from and what it was spent on. Marla Jo continued on saying she finds it incredulous that staff, at this meeting and the last, continues to tell the public that Morro Bay doesn't have a water problem. In regard to the cities that were listed as having common factors for their reuse program, Los Osos was on the list yet the community of Los Osos didn't make it on to the list of the most highly impacted nitrate contamination in drinking water well sources. Ms. Bruton has submitted nitrate studies, reports and concerns to this Board and other agencies; she asked if a single one has been read, she thought not.
- Richard Margetson –Marla Jo's statements of the RWQCB meeting were correct, Los Osos is building a project based on nitrates 1mg over the drinking water standard on average for the 26 test monitoring wells in Los Osos. Do we realistically believe the CCC is not going to put a condition on this project for a recycled component? Conditions were added to the Los Osos project including an ag reuse component, negotiations with the school district to take recycled water for the 4 schools and they are currently negotiating with the golf course to take water. What year does the State water contract come up for re-negotiation? It's not that far down the road and what will the costs be at that point? Direct injection has many requirements, has leach field recharge been addressed to recharge the groundwater basin? You have an ocean outfall, Los Osos and its new project serving 87% of their population does not have an ocean outfall. Doesn't think the CCC will let this project get by without some form of a recycle program. Margetson doesn't feel all alternatives were investigated or this survey was as far reaching as it could have been.
- Barry Branin, Morro Bay – Is looking at the numbers for the cost of recycled water and is having a hard time when you look at the Seawater Reverse Osmosis cost, which is one of the hardest things to do, yet that cost is only \$1540 per acre foot compared to the estimate of recycled water to Morro Bay is 3 times that much. He is having a hard time accepting these numbers presented and believes the CCC will not accept these either.
- Betty Winholz, Morro Bay – Will hold her comments for the basic assumptions she believes are false and send those to the CCC directly. Her real action is politically motivated in light of Morro Bay having an election this spring, and Cayucos' election in the fall, her question is how many of you have actually read this report. She believes this is one of the critical components for the CCC and you are going to receive this report tonight which means you are going to accept it. This makes her question to what degree you are representing this community and its best benefits. Are you strong enough or brave enough to admit that tonight.

Dennis Delzeit did want to address the question from Barry regarding the cost of desalination verses the recycling for Morro Bay. In all these comparisons the costs cover not only the cost for treating the water but all the infrastructure costs as well. This includes pumping the water and putting pipe in the streets to distribute the water where it needs to go. With the Seawater Reverse Osmosis you have the plant, pumping and piping already

in place with the current site and the City's potable water supply. This is the biggest difference in the costs presented, you have pump stations and pipelines associated with the recycled water that you do not have with the current potable water sources.

Noah Smukler said that they wanted to address the date the current State Water contract is up; Dylan Wade said he believed it to be 2025.

President Enns commented he had read the report and was impressed with the depth of it and the measures that were taken to prepare this report. Mr. Delzeit's presentation is just scratching the surface of the entire report. It was amazing to see all the numbers presented, the calculations of how they were arrived at the assumptions that were taken into account, quite an in-depth study. Enns further clarified that they were not voting on the report, the Board's assignment was to receive the presentation of the draft study and review the report going forward.

2. SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

The next regularly scheduled JPA meeting is on May 10, 2012 in Morro Bay.

ADJOURNMENT

President Enns adjourned the meeting at 8:08 p.m.

Agenda No. A-2

Date: June 14, 2012

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: June 4, 2012

subject: WWTP Operations Report through April, 2012

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 February 2012 to April 2012 and the WWTP flow summary, through April 2012. This information updates the item from the March 8, 2012 meeting.

The City of Morro Bay-Cayucos Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY FEBRUARY 2012

Flow for the month of February averaged 1.051 Million Gallons per Day (MGD).

Removal of suspended solids ranged from 91.5 % to 94.4 % for the month, with an average removal of 93.3 % for the month. BOD removal ranged from 75.8 % to 84.3 % for the month, with an average removal of 78.9 % for the month. Rainfall for the month was 0.22 inches. For the month of February, 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 activities for February concerning the upgrade project for the wwtp:

- The following additional analysis materials were submitted to the Coastal Commission staff and are under review. These documents are also posted on the project web site:
 - Draft Addendum to the Flood Study
 - Draft Maximum Tsunami Flood Elevations Memo
 - Draft Fine Screen Evaluation Highest and Best Use Analysis Revisions
 - Draft Alternative Sites Visual Simulations (massing studies)
- The draft 2012 Recycled Water Feasibility Study will be posted on the project web site on March 9;
- Communications with the Coastal Commission staff will continue for the purpose of establishing a revised date for the de novo Coastal Commission hearing;
- The following additional analysis materials will be submitted to the Coastal Commission staff for review during March. These documents are also posted on the project web site:
 - Draft Updated 2012 Recycled Water Feasibility Study
 - Draft Groundwater Basin Safe Yields and Seawater Intrusion Potential Technical Memo
 - Comparative Cost Survey - Reclaimed Water

On February 22, staff from Perrys Motors reinstalled main influent pump #2. The pump was pulled for inspection and repairs in January. While the pump was being installed, plant staff installed new U-joints on the drive shaft of the pump. The pump is back in service and operating as designed.

During the month of February, plant staff removed and replaced a section of the discharge piping for Grit Pump #P2502. The existing pipe was badly corroded and worn due to the abrasive nature of the grit slurry that flows through the piping.

On February 7, staff replaced the batteries for the switchgear for the emergency auxiliary generator. The batteries are on a work order for replacement every two years.

On February 17, plant staff made repairs and minor modifications to the J-Box on Digester #2. The modifications will provide the Operators with better control of the level within the digester.

During February, staff received a new skimmer arm assembly for one of the skimmer arms for the secondary clarifier. Upon inspection, plant staff noted the manufacturer had shipped the wrong skimmer assembly. Staff contacted the manufacturer and they will be shipping the correct skimmer assembly. The new unit will be installed upon arrival.

On February 22, staff replaced the eye wash heads on the safety shower/ eye wash stations at the headworks and maintenance shop.

On February 16, staff from Hinson's Tire Pros installed four new tires on the front-end loader.

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for January 2012
- The Semi-Annual Discharge Monitoring Forms (DMR) for January 2012 to July 2012

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

- The January 2012 Monthly Monitoring Data
- The Semi-Annual Effluent Sampling Chemical and Bioassay Analysis Results for January 2012

On February 8, staff faxed the 2011 Emissions and Throughput Data for the Morro Bay WWTP to staff at the Air Pollution Control District.

During February, plant staff continued to investigate possible solutions to the struvite problem that has been noted at the plant. Based on the results of the sampling program and visual inspection of digester piping, plant staff has developed a strategy for minimizing the struvite issues that have been noted in the past Monthly Operations Summaries. The strategy includes replacing selected sections of discharge piping with PVC piping, development of a regular pipeline cleaning schedule, and a complete video inspection of the piping system from the digesters to the sludge beds to identify potential problem spots. While this strategy will not prevent struvite formation it should minimize operational issues associated with struvite accumulation.

On February 7 and 8, all the operators attended a Storm Water Training seminar sponsored by the City of Morro Bay.

On February 8, Mr. Neza Chavira attended a Confined Space Training sponsored by the California Joint Powers Insurance Authority (CJPIA) in Solvang.

On February 8, Mr. Bruce Keogh, Mr. Les Girvin, and Mr. Neza Chavira attended an FKC Screw Press demonstration at the City of San Luis Obispo Water Reclamation Facility.

On February 14, Mr. John Gunderlock sat on an interview panel for the Cayucos Sanitary District.

On February 21, Mr. Bruce Keogh and Mr. Les Girvin attended a Risk Managers Roundtable – Demystifying CALOSHA sponsored by the CJPIA.

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/February 2012

The City of Morro Bay-Cayucos Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY

MARCH 2012

Flow for the month of March averaged 1.096 Million Gallons per Day (MGD).

Removal of suspended solids ranged from 93.6 % to 95.7 % for the month, with an average removal of 94.9 % for the month. BOD removal ranged from 83.0 % to 90.2 % for the month, with an average removal of 85.9 % for the month. Rainfall for the month was 1.86 inches. For the month of March, 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 activities for March concerning the upgrade project for the wwtp:

- The monthly status report update was submitted to the Regional Water Quality Control Board, as required by approval of the force majeure time extension;
- Susan McCabe & Company made contact with Coastal Commissioners. Several have expressed interest in early briefings and site visits. Briefing materials were finalized. Three in person meetings have been held with Coastal Commissioners which were attended by Ms. McCabe, MBCSD staff members and the project manager. Commissioners were receptive and appreciated the opportunity to receive information about the project.
- The following additional analysis materials were submitted to the Coastal Commission staff for review during March. These documents are also posted on the project web site:
 - Draft Updated 2012 Recycled Water Feasibility Study
 - Draft Groundwater Basin Safe Yields and Seawater Intrusion Potential Technical Memo
 - Comparative Cost Survey - Reclaimed Water

On March 9 and 10, staff from Carson Porter diving replaced the bolts on 21 of the 34 flanges holding the diffusers to the outfall pipe. They had replaced the bolts on the other thirteen flanges in December 2011. They did note that some of the diffusers have two bolted flanges and that based on the condition of the bolts removed on the lower flanges that the bolts on the upper flanges should be replaced in the near future. Staff is currently scheduling that work with Carson Porter Diving.

On March 15, staff discovered a problem with the gas recirculation blower for digester #3. They replaced the blower with a new blower that was in stock. They also installed new drive belts, installed new piping on the inlet and discharge of the blower, and degreased the motor stand. The new blower is operating as designed.

On March 2, staff replaced one of the sodium bisulfite chemical dosing pumps with a new pump. They also cleared a section of the sodium bisulfite discharge piping where the discharge piping enters the outfall; this section of pipe did have a build up of crystallized sodium bisulfite.

During the month of March, plant staff continued on a pipe replacement project for the discharge piping for both grit pumps. During March, plant staff worked on fabricating new piping sections to replace existing pipe that is badly corroded and worn due to the abrasive nature of the grit slurry that flows through the piping.

On March 27, staff from Kones Cranes performed the annual inspection of the three cranes at the plant. They identified an inspection of the load brake on the maintenance shop crane that will be conducted during their next scheduled inspection. No other maintenance issues were identified during the inspection.

On March 9, Ms. Tricia Atkins of the San Luis Obispo Environmental Health Services Department (SLO County EHS) conducted an annual inspection as a component of the plant's Hazardous Waste Business Plan, which is on file with the SLO County EHS.

On March 5, plant staff was on-site when a power outage occurred from 1435 to 1615 hours. The emergency auxiliary generator provided power to the plant during this time period. Plant staff noted that there were no problems with the switch to generator power, and that there were no operational issues as a result of the power outage.

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for February 2012

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

- The February 2012 Monthly Monitoring Data

As part of the strategy to reduce the impacts of struvite accumulation in digester piping, staff performed the following tasks:

- On March 9, plant staff replaced a section of discharge piping on Digester #1 that was severely restricted due to the accumulation of struvite. Staff also installed a fitting for a 3W water line that will allow staff to more efficiently flush the line from the digester to the sludge drying beds.
- On March 12 and 13, plant staff in conjunction with Collections staff performed a video inspection of the sludge line from the J-Box on digester #1 to the sludge drying beds. They noted that the first 60 feet appeared to have some accumulation of struvite, and that the rest of the line appears to be clean and free of struvite accumulation. Staff cleaned the first 60 feet of line and will monitor its condition over the next twelve months.

On March 6, staff installed two new batteries in the front end loader.

On March 16, Mr. Bruce Keogh was aboard the vessel the Bonnie Marietta during the first quarter water column survey conducted by Marine Research Specialists as part of the offshore monitoring and reporting program.

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/March 2012

The City of Morro Bay-Cayucos Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY

APRIL 2012

Flow for the month of April averaged 1.184 Million Gallons per Day (MGD).

Removal of suspended solids ranged from 86.9 % to 92.6 % for the month, with an average removal of 90.4 % for the month. BOD removal ranged from 48.6 % to 86.2 % for the month, with an average removal of 76.7 % for the month. Rainfall for the month was 2.54 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 activities for April concerning the upgrade project for the wwtp:

- The monthly status report update was submitted to the Regional Water Quality Control Board, as required by approval of the force majeure time extension;
- Susan McCabe & Company has made contact with Coastal Commissioners. Five in person meetings have been held with Coastal Commissioners which were attended by Ms. McCabe, MBCSD staff members and the project manager. Commissioners were receptive and appreciated the opportunity to receive information about the project; Communications with the Coastal Commission staff will continue in anticipation of scheduling the de novo Coastal Commission hearing for August;
- Mr. Dennis Delzeit, the Project Manager spoke to the California Coastal Commission at their meeting in Ventura under "Public Comment", informing the Commission of the status of the project;
- The City Council and Sanitary District Board received a PowerPoint presentation of the draft 2012 Recycled Water Feasibility Study to the JPA at the April 12 meeting and accepted public comment on the draft study;
- Mr. Dennis Delzeit, Mr. Rob Livick, and Mr. Bruce Keogh met with Ms. Katie DiSimone of the Regional Water Quality Control Board staff to discuss upgrade related issues on April 18;
- The Coastal Commission staff has indicated that the de novo hearing for the Coastal Development Permit is targeted for the August meeting.

The result for the BOD concentration for the twenty-four hour composite influent sample collected on April 13, had an unusually low BOD concentration of 105 mg/L. Plant staff suspects that the low influent concentration was due to heavy rain fall during the sampling period. The effluent BOD concentration of 54 mg/L resulted in an unusually low removal rate of only 48.6%, due to the low influent concentration.

During the month of April, staff worked on issues associated with the recirculation of sludge within digester #2 and transfer of sludge from digester #2 to digester #3.

On numerous occasions during April, staff discovered and cleared a large plug of rags in the sludge recirculation pumping piping for digester #2. As a result of this, they re-installed the in-line muffin monster on the sludge recirculation pumping piping for digester #2. This should assist in reducing ragging issues on the sludge circulation line.

In addition, staff noted that the solids content of the sludge in digester #2 was unusually high, averaging approximately 5% solids. The normal solids content is generally in the 2% solids range. The heavy solids content was making it difficult to transfer sludge from digester #2 to digester #3, the normal sludge transfer pattern. To assist in transferring sludge from digester #2 (getting the sludge to flow in the pipe), staff installed a 3W water fitting on the sludge discharge piping at the JBox on digester #2. Staff is investigating possible reasons for the heavy solids content in the digester #2. In addition they reduced the ferric chloride dose as ferric acts as a settling agent increasing solids content. They also adjusted the feeding schedules for digesters #2 and #3. Staff has also attempted to switch

circulation points on digester #2 to ensure that the digester is well mixed and there are no dead zones where solids could accumulate.

During the month of April, plant staff completed a pipe replacement project for the discharge piping for both grit pumps. Plant staff installed new piping up to the cyclone separators on the grit dewatering system. The existing pipe was badly corroded and worn due to the abrasive nature of the grit slurry that flows through the piping. In addition staff replaced the motor, motor stand, sheaves, and drive belt for grit pump #2. They also replaced the check valve and associated piping on grit pump #2.

On April 4, staff installed a new blower on the Return Activated Sludge (RAS) system. The new blower was installed on a stand to get it above a flood elevation of thirty inches. The new stand is another component of an on-going project designed to protect critical buildings and equipment in the event of moderate flooding at the plant.

On April 26, staff completed the installation of a new skimmer assembly on one of the two skimmer assemblies for the secondary clarifier. The existing skimmer was badly corroded and no longer cost effective to repair. The other skimmer assembly is scheduled to be replaced in the next fiscal year.

On April 2, staff from San Luis Powerhouse performed the quarterly maintenance and inspection on the emergency auxiliary generator. No issues were noted during the maintenance and inspection process.

On April 13, at 0450 staff responded to a low chlorine residual alarm at the plant. Staff made minor adjustments to the dosing pumps and calibrated the chlorine residual analyzers. They performed a detailed inspection and no other problems were noted. Staff noted that the low chlorine residual alarm may have been a result of elevated flows due to heavy rainfall. Staff noted that the change in the alarm set point for the chlorine residual alarm was effective in prompting a quick response time to the noted problem.

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for March 2012

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

- The March 2012 Monthly Monitoring Data
- The First Quarter Receiving - Water Survey - March 2012

On April 17, Mr. Jim Gross, of the California Joint Powers Insurance Authority (CJPIA) toured the plant as part of an insurance audit being performed by the CJPIA.

On April 17, Mr. Bruce Keogh, Mr. Les Girvin, Mr. Neza Chavira, Mr. Steve Aschenbrener, Mr. George Helms, and Mr. David Bierman attended a Preventing Discrimination and Harassment Seminar sponsored by the CJPIA.

On April 10, Mr. Bruce Keogh, Mr. John Gunderlock, Mr. Steve Aschenbrener, and Mr. Nez Chavira attended the Hach training course: Lab Skills for Water and Wastewater

On April 11 and 12, Mr. Steve Aschenbrener, and Mr. Nez Chavira attended two Hach training courses: Process Instrument Verification and Sampling and Distribution System Monitoring.

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.

2010	Total Plant Flow		Cayucos Flow			Morro Bay Flow			# of days	Dates
	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%		
JAN	42.053	1.357	11.058	0.357	26.3%	30.995	1.000	73.7%	31	Jan 1-Jan 31, 2010
FEB	35.432	1.265	9.845	0.352	27.8%	25.587	0.914	72.2%	28	Feb 1-Feb 28, 2010
MAR	36.204	1.168	9.396	0.303	26.0%	26.808	0.865	74.0%	31	March 1 - 31, 2010
APR	34.481	1.149	8.560	0.285	24.8%	25.921	0.864	75.2%	30	April 1 - April 30, 2010
MAY	34.141	1.101	8.059	0.260	23.6%	26.082	0.841	76.4%	31	May 1 - 31, 2010
JUNE	33.550	1.118	8.109	0.270	24.2%	25.441	0.848	75.8%	30	June 1-30, 2010
JULY	39.626	1.278	10.695	0.345	27.0%	28.931	0.933	73.0%	31	July 1-31, 2010
AUG	37.919	1.223	8.993	0.290	23.7%	28.926	0.933	76.3%	31	August 1-31, 2010
SEPT	31.984	1.066	7.510	0.250	23.5%	24.474	0.816	76.5%	30	September 1-30, 2010
OCT	32.144	1.037	7.490	0.242	23.3%	24.654	0.795	76.7%	31	October 1-31, 2010
NOV	31.512	1.050	7.885	0.263	25.0%	23.627	0.788	75.0%	30	November 1-30, 2010
DEC	44.378	1.432	14.061	0.454	31.7%	30.317	0.978	68.3%	31	December 1-31, 2010
ANNUAL AVERAGES	36.119	1.187	9.305	0.306	25.6%	26.814	0.881	74.4%		
2011	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%	# of days	Dates
JAN	42.338	1.366	12.089	0.390	28.6%	30.249	0.976	71.4%	31	Jan 1-Jan 31, 2011
FEB	35.600	1.271	9.674	0.346	27.2%	25.926	0.926	72.8%	28	Feb 1-Feb 28, 2011
MAR	47.887	1.545	13.770	0.444	28.8%	34.117	1.101	71.2%	31	March 1 - 31, 2011
APR	38.937	1.298	9.117	0.304	23.4%	29.820	0.994	76.6%	30	April 1 - April 30, 2011
MAY	37.092	1.197	8.704	0.281	23.5%	28.388	0.916	76.5%	31	May 1 - 31, 2011
JUNE	37.769	1.259	9.381	0.313	24.8%	28.388	0.946	75.2%	30	June 1-30, 2011
JULY	43.654	1.408	11.186	0.361	25.6%	32.468	1.047	74.4%	31	July 1-31, 2011
AUG	38.518	1.243	9.080	0.293	23.6%	29.438	0.950	76.4%	31	August 1-31, 2011
SEPT	33.263	1.109	7.526	0.251	22.6%	25.737	0.858	77.4%	30	September 1-30, 2011
OCT	33.454	1.079	7.597	0.245	22.7%	25.857	0.834	77.3%	31	October 1-31, 2011
NOV	33.240	1.108	7.589	0.253	22.8%	25.651	0.855	77.2%	30	November 1-30, 2011
DEC	32.378	1.044	6.982	0.225	21.6%	25.396	0.819	78.4%	31	December 1-31, 2011
ANNUAL AVERAGES	37.844	1.244	9.391	0.309	24.6%	28.453	0.935	75.4%		
2012	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%	# of days	Dates
JAN	34.443	1.111	7.444	0.240	21.6%	26.999	0.871	78.4%	31	Jan 1-Jan 31, 2012
FEB	30.478	1.051	6.440	0.222	21.1%	24.038	0.829	78.9%	29	Feb 1-Feb 29, 2012
MAR	33.971	1.096	7.711	0.249	22.7%	26.260	0.847	77.3%	31	March 1 - 31, 2012
APR	35.523	1.184	8.573	0.286	24.1%	26.950	0.898	75.9%	30	April 1 - April 30, 2012
MAY		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	31	May 1 - 31, 2012
JUNE		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	30	June 1-30, 2012
JULY		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	31	July 1-31, 2012
AUG		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	31	August 1-31, 2012
SEPT		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	30	September 1-30, 2012
OCT		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	31	October 1-31, 2012
NOV		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	30	November 1-30, 2012
DEC		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	31	December 1-31, 2012

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: June 1, 2012

Subject: Status Report on Upgrade Project as of June 1, 2012

Recommendation: Receive the status report and direct staff accordingly.

Activities during May 2012

- The monthly status report update was submitted to the Regional Water Quality Control Board, as required by approval of the force majeure time extension;
- McCabe & Company communicated with Coastal Commission staff to expedite project review and hearing scheduling;
- McCabe & Company coordinated with the MBCSD staff and project manager to prepare for the meeting with CCC staff on June 11th;
- McCabe & Company worked with the MBCSD staff and project manager to revise the briefing booklet in response to Commissioner comments received to date; and
- McCabe & Company advised on communicating with project supporters;
- Updated the project web site;
- The City Attorney met with Senator Blakeslee and Assemblyman Achadjian and both agreed to send a letter of support to the Coastal Commission;
- The Coastal Commission staff member, Susan Craig, has indicated that the de novo hearing for the Coastal Development Permit will be scheduled for the August 8-10 meeting in Santa Cruz.

Looking Ahead-June 2012

- A meeting is scheduled with the Coastal Commission staff on June 11th. A summary of the meeting will be made verbally to the JPA at the meeting of June 14th.

- McCabe & Company will continue to brief Commissioners on the project and schedule meetings for discussions with the MBCSD staff and project manager;
- Communications with the Coastal Commission staff will continue in anticipation of scheduling the de novo Coastal Commission hearing for August;
- The next regularly scheduled JPA meeting is July 12th.
- The CCC de novo hearing is tentatively scheduled for August 8-10 in Santa Cruz.

Fiscal Impact:

- There are no new expenditures to report.

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 |
| • Public Outreach/Workshops | June 27 & 28, 2011 |
| • Deadline for the rough screening criteria and alternative sites public comments | July 15, 2011 |
| • Coastal Commission staff level meeting in Santa Cruz | August 25, 2011 |
| • Public release of the Rough Screening analysis | September 1, 2011 |
| • Rough Screening Analysis Presentation to the JPA | September 8, 2011 |
| • Public workshop- Alternative Sites Update | September 19, 2011 |
| • Deadline for public comments on the Rough Screening Analysis and Fine Screening criteria and alternative sites | September 30, 2011 |
| • Public release of the draft Fine Screening analysis | November 3, 2011 |
| • Fine Screening Analysis Presentation to the JPA | November 10, 2011 |
| • Coastal Commission staff level meeting in Santa Cruz (review de novo materials) | December 9, 2011 |
| • Coastal Commission staff level meeting in Santa Cruz (review de novo materials) | June 11, 2012 |
| • Coastal Commission de novo hearing, Santa Cruz | Tentative Aug. 8-10, '12 |
| • 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 | Deadline on hold |

Dudek - California Coastal Commission - Substantial Issues Study**Dudek contract Fee Status:**

• Original Contract Amount:	\$345,485.00
• Amendment:	\$110,157.00
• Revised Contract Amount:	\$455,642.00
• Amount invoiced to date:	<u>\$424,031.49</u>
• Amount remaining in contract:	\$ 31,610.51
• Most recent billing amount (4/12/12):	\$ 11,495.00
• Percent of contract billed:	93%

MWH Design

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:	\$ 474,490.33
• Amount Remaining:	\$2,225,509.67
• Most Recent Billing Amount (10/7/11) ¹	\$ 4,631.46
• Percent of contract billed:	18%

McCabe & Company) California Coastal Commission Communications/Liaison Services

• Invoice 4/11/11: \$12,500 + \$857.47 ² =	\$13,347.57
• Invoice 5/3/11: \$12,500 + \$98.28 ³ =	\$12,598.28
• Invoice 6/3/11: \$12,500 + \$4,032 ⁴ =	<u>\$16,532.00</u>
• Total billings from start of contract to suspension:	\$42,477.85 ⁵
• Invoice for January 2012, dated 2-29-12:	\$12,500.00
• Invoice for February 2012, dated 3-23-12:	\$12,500.00
• Invoice for March 2012, dated 4-23-12:	\$12,500.00
• Invoice for April 2012, dated 5-15-12:	\$12,500.00

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: Feb 22 through May 31, 2011. No services were provided between May 31 through December 31, 2011.

- Amount billed to date: \$92,477.85
- Not to exceed limit: \$155,000
- Percent billed to date: 60%

State Revolving Fund Loan:

The SRF process is on hold pending approval of the California Coastal Commission. Without a Coastal Development Permit from the CCC, the project components are unknown as is the total project cost.

Project Manager, Dennis Delzeit, Services:

- Prepared and submitted the monthly report to the RWQCB;
- Prepared the monthly status report to the JPA;
- Updated the web site information;
- Reviewed the Dudek invoice;
- Reviewed the McCabe invoice;
- Coordinated with McCabe on briefings;
- Prepared a memo to the JPA regarding the delay of the CCC hearing from June to August;
- Coordinated the meeting appointment with CCC staff and MBCSD representatives for June 11;
- Coordinated with the Northern Chumash.

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: \$158,591.45
- Amount Remaining: \$ 94,408.55
- Most Recent Billing Amount (6/1/12) \$ 2,079.00
- Percentage of contract billed: 63%

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: June 14, 2012

Subject: Fiscal Year 2012/13 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 2012/13 budget to the Board of Directors of the Cayucos Sanitary District. Detailed notes on the revenues and expenditures are attached.

FISCAL IMPACT

Expenses:		
Operations	\$	1,894,832
General Fund administration		<u>30,000</u>
Total expenses		<u>1,924,832</u>
Revenues:		
Services		<u>1,924,832</u>
Revenues over/under expenses	\$	<u>0</u>

Budget Worksheet Report

Account Number	Description	2009 Actual Amount	2010 Actual Amount	2011 Actual Amount	2012 Adopted Budget	2013 Proposed Budget
Fund	599	MB/CS Waste Water Fund				
Revenue						
Department	5255	Wastewater Treatment				
<u>Intergovernment Grants</u>						
3304	FEMA Grant Funding	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Total: Intergovernment Grants</u>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Revenues From Current Services</u>						
3401	Sale of Copies & Books	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3499	Other Rev/Current Svc	\$2,096,781.31	\$2,080,458.47	\$2,598,374.04	\$1,911,980.00	\$1,924,832.00
<u>Total: Revenues From Current Services</u>		\$2,096,781.31	\$2,080,458.47	\$2,598,374.04	\$1,911,980.00	\$1,924,832.00
<u>Revenues From Use of Money & Property</u>						
3710	Interest Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3730	Rental Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Total: Revenues From Use of Money & Property</u>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Interfund Revenue Transfers</u>						
3860	Trans. From Enterprise	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Total: Interfund Revenue Transfers</u>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Miscellaneous Revenues</u>						
3912	Employee/Jury Duty Pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3913	Sale of Real Property	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3922	Refunds/Adj/Restitution	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3990	Other Misc. Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Total: Miscellaneous Revenues</u>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Department Total: Wastewater Treatment		\$2,096,781.31	\$2,080,458.47	\$2,598,374.04	\$1,911,980.00	\$1,924,832.00
Revenue Totals		\$2,096,781.31	\$2,080,458.47	\$2,599,009.04	\$1,911,980.00	\$1,924,832.00
Expenses						
Department	5255	Wastewater Treatment				
<u>Personnel Services</u>						
4110	Regular Pay	\$430,709.98	\$445,947.39	\$466,336.01	\$463,621.00	\$456,038.00
4120	Overtime Pay	\$4,339.60	\$8,480.81	\$16,446.73	\$10,000.00	\$10,000.00
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	\$11,910.00	\$12,670.00	\$12,740.00	\$12,775.00	\$12,775.00
4520	Cafeteria Pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4599	Other Pay	\$1,333.49	\$1,303.23	\$677.33	\$2,000.00	\$0.00
4910	Employer Paid Benefits	\$246,440.36	\$258,352.36	\$274,789.08	\$289,510.00	\$292,079.00
4999	Labor Costs Applied	\$0.00	\$19.48	\$658.64	\$0.00	\$0.00
<u>Total: Personnel Services</u>		\$694,733.43	\$726,773.27	\$771,647.79	\$777,906.00	\$770,892.00
<u>Supplies</u>						
5101	Janitorial Supplies	\$1,329.14	\$788.82	\$1,222.10	\$1,250.00	\$1,250.00
5105	First Aide Supplies	\$144.06	\$169.87	\$335.95	\$500.00	\$500.00
5106	Photographic Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5108	Communication Supplies	\$378.20	\$390.52	\$0.00	\$1,700.00	\$1,000.00
5109	Uniforms/Safety Equipment	\$6,949.07	\$15,578.51	\$8,589.11	\$12,000.00	\$12,000.00
5110	Fuel Oil & Lubricants	\$3,986.32	\$5,802.71	\$3,855.89	\$5,000.00	\$5,000.00
5112	Lab Supplies	\$26,988.16	\$17,523.38	\$16,857.77	\$16,500.00	\$16,500.00
5120	Chemical Supplies	\$112,148.43	\$115,910.96	\$116,103.10	\$120,000.00	\$130,000.00
5125	Repairs/Maint. Materials	\$2,500.00	\$0.00	\$463.28	\$500.00	\$500.00
5170	Computer Paper	\$0.00	\$246.81	\$0.00	\$0.00	\$0.00

5175	Computer Operating Supp.	\$1,614.23	\$907.07	\$402.53	\$1,500.00	\$	1,500.00
5199	Misc. Operating Supplies	(\$2,960.44)	\$621.68	\$1,938.47	\$1,500.00	\$	1,500.00
5301	General Office Supplies	\$808.89	\$960.91	\$1,222.54	\$1,200.00	\$	1,700.00
5302	Copying Supplies	\$451.67	\$364.23	\$325.59	\$500.00		\$0.00
5303	Books & Manuals	\$0.00	\$0.00	\$120.00	\$100.00	\$	100.00
5305	Forms Printing	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
5501	Grounds Maint. Supplies	\$1,071.75	\$1,449.05	\$1,203.59	\$2,500.00	\$	2,500.00
5502	Building Maint. Supplies	\$13,163.60	\$15,179.55	\$15,680.38	\$12,000.00	\$	12,000.00
5503	Rolling Stock Supplies	\$0.00	\$0.00	\$94.56	\$0.00		\$0.00
5504	Machinery/Equip/Supplies	\$52,675.55	\$56,004.13	\$70,043.38	\$76,000.00	\$	93,000.00
5530	Small Tools	\$2,050.91	\$2,155.73	\$1,458.79	\$2,000.00	\$	2,000.00
<u>Total: Supplies</u>		\$223,299.54	\$234,053.93	\$239,917.03	\$254,750.00	\$	281,050.00
<u>Services</u>							
6101	Legal Services	\$0.00	\$0.00	\$0.00	\$0.00	\$	200.00
6103	Financial Audits	\$7,820.76	\$5,900.00	\$10,400.00	\$6,000.00	\$	6,000.00
6104	Engineering Services	\$0.00	\$82,702.53	(\$27,487.53)	\$60,000.00	\$	10,000.00
6105	Consulting Services	\$40,786.15	\$23,345.10	\$880.00	\$25,000.00	\$	25,000.00
6106	Contractual Services	\$192,222.14	\$191,076.96	\$196,406.74	\$205,000.00	\$	211,000.00 \$6
6107	Promotion & Advertising	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
6125	Professional Development	\$1,800.59	\$1,802.85	\$1,685.13	\$2,500.00	\$	2,500.00
6160	Vehicle Inspections	\$0.00	\$0.00	\$0.00	\$250.00	\$	250.00
6161	Licenses & Permits	\$3,000.00	\$0.00	\$0.00	\$6,000.00	\$	6,000.00
6162	Mandated Fees/Inspections	\$8,566.76	\$17,028.84	\$20,155.42	\$26,000.00	\$	26,000.00
6199	Other Professional Svc	\$845.38	\$983.19	\$1,671.80	\$1,500.00	\$	1,500.00
6201	Telephone	\$1,316.77	\$1,767.74	\$1,756.77	\$2,000.00	\$	2,000.00
6220	Postage	\$123.09	\$19.42	\$122.05	\$0.00		\$0.00
6231	Pager Services	\$202.91	\$195.36	\$0.00	\$0.00		\$0.00
6300	Utilities	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
6301	Electricity	\$123,103.62	\$131,105.99	\$129,277.92	\$120,000.00	\$	120,000.00
6302	Natural Gas	\$16,539.98	\$3,376.44	\$3,388.92	\$5,000.00	\$	5,000.00
6303	Water	\$6,368.59	\$5,453.70	\$6,562.34	\$7,500.00	\$	7,500.00
6305	Disposal	\$672.17	\$733.32	\$750.30	\$600.00	\$	600.00
6306	Special Waste Recycling	\$0.00	\$0.00	\$0.00	\$0.00	\$	-
6307	Disposal of Sludge	\$9,549.68	\$11,149.70	\$11,369.58	\$12,500.00	\$	12,500.00
6399	Other Utilities	\$17,023.57	\$15,560.93	\$14,798.53	\$14,000.00	\$	14,000.00
6401	General Liability	\$14,845.00	\$42,031.00	\$42,031.00	\$50,316.00	\$	50,316.00
6411	Property Damage Ins.	\$19,442.54	\$1,130.00	\$1,130.00	\$1,130.00	\$	1,130.00
6421	Boiler Insurance	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
6472	Other Ins./Employee Bond	\$0.00	\$91.00	\$0.00	\$134.00		\$0.00
6473	Vehicle Insurance	\$300.00	\$244.00	\$244.00	\$244.00	\$	244.00
6499	Earthquake & Flood Insurance	\$158,541.00	\$163,388.43	\$350,051.15	\$170,000.00	\$	166,000.00
6502	Shipping & Moving	(\$1,752.88)	\$1,154.02	\$462.90	\$1,000.00	\$	1,000.00
6510	Meetings & Conferences	\$28.25	\$61.95	\$110.70	\$0.00		\$0.00
6511	Mileage Reimbursement	\$0.00	\$16.50	\$416.92	\$0.00		\$0.00
6514	Travel Expense	\$815.39	\$427.68	\$1,791.20	\$1,500.00	\$	1,500.00
6519	Association Membership	\$0.00	\$0.00	\$0.00	\$150.00	\$	150.00
6601	Outside Equip. Repair/Mat	\$203,574.03	\$122,049.14	\$127,644.69	\$100,000.00	\$	117,500.00
6602	Outside Structural Repair	\$21,145.48	\$424.95	\$25,267.83	\$20,000.00	\$	20,000.00
6603	Outside Ground Repair	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
6604	Outside Vehicle Repair/Maint	\$351.38	\$51.75	\$1,398.00	\$2,500.00	\$	2,500.00
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	\$0.00	\$657.50	\$0.00	\$2,500.00	\$	2,500.00
<u>Total: Services</u>		\$847,232.35	\$823,929.99	\$922,285.36	\$843,324.00	\$	812,890.00

Capital Outlay

7102	Buildings & Structures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7201	Automobiles	\$0.00	\$0.00	\$0.00	\$0.00	\$
7203	Other Maintenance Vehicle	\$0.00	\$0.00	\$0.00	\$0.00	\$ 30,000.00
7301	Machinery Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7302	Equipment Acquisition	\$0.00	\$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
8735	Loss on Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total: Capital Outlay		\$0.00	\$0.00	\$0.00	\$0.00	\$ 30,000.00

Interfund Transfers

8510	Transfer To General Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total: Interfund Transfers		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Other Expense

8720	Rent Distribution	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8721	Payment To Other Agency	\$38,124.48	\$32,308.52	\$21,750.65	\$30,000.00	\$ 30,000.00 CI
8730	Cap. Asset Depreciation	\$500,740.96	\$497,179.17	\$477,905.92	\$0.00	\$0.00
Total: Other Expense		\$538,865.44	\$529,487.69	\$499,656.57	\$30,000.00	\$ 30,000.00

Department Total: Wastewater Treatment		\$2,304,130.76	\$2,314,244.88	\$2,433,606.75	\$1,905,980.00	\$ 1,924,832.00
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Department 7710

Interfund Transactions

Interfund Transfers

8410	Intrafund Expense Trans.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8501	Transfers Out	\$0.00	\$16,826.71	\$0.00	\$6,000.00	\$0.00
8510	Transfer To General Fund	\$2,122.98	\$0.00	\$0.00	\$0.00	\$0.00
8540	TRFR To Capital Imp Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total: Interfund Transfers		\$2,122.98	\$16,826.71	\$0.00	\$6,000.00	\$0.00

Department Total: Interfund Transactions		\$2,122.98	\$16,826.71	\$0.00	\$6,000.00	\$0.00
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Department 8433

WWTP Upgrade Design

Personnel Services

4999	Labor Costs Applied	\$0.00	\$29,699.30	\$21,866.53	\$0.00	\$0.00
Total: Personnel Services		\$0.00	\$29,699.30	\$21,866.53	\$0.00	\$0.00

Supplies

5199	Misc. Operating Supplies	\$0.00	\$1,507.76	(\$9.72)	\$0.00	\$0.00
5307	Blueprint/Doc Reproduced	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total: Supplies		\$0.00	\$1,507.76	(\$9.72)	\$0.00	\$0.00

Services

6104	Engineering Services	\$0.00	\$82,774.03	\$387,084.79	\$0.00	\$0.00
6105	Consulting Services	\$0.00	\$10,624.00	\$0.00	\$0.00	\$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	\$0.00
6510	Meetings & Conferences	\$0.00	\$72.15	(\$56.17)	\$0.00	\$0.00
Total: Services		\$0.00	\$93,470.18	\$387,028.62	\$0.00	\$0.00

Department Total: WWTP Upgrade Design		\$0.00	\$124,677.24	\$408,885.43	\$0.00	\$0.00
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Department 8438

WWTP Master Plan (JPA)

Services

6104	Engineering Services	(\$16,011.71)	\$44,517.60	\$0.00	\$0.00	\$0.00
6510	Meetings & Conferences	\$57.57	\$0.00	\$0.00	\$0.00	\$0.00
Total: Services		(\$15,954.14)	\$44,517.60	\$0.00	\$0.00	\$0.00

Capital Outlay

7102	Buildings & Structures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total: Capital Outlay		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Department Total: WWTP Master Plan (JPA)		(\$15,954.14)	\$44,517.60	\$0.00	\$0.00	\$0.00
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Department 8462

WWTP Environmental Permit

Personnel Services

4999	Labor Costs Applied	\$0.00	\$4,654.91	\$29,173.38	\$0.00	\$0.00
Total: Personnel Services		\$0.00	\$4,654.91	\$29,173.38	\$0.00	\$0.00
<u>Services</u>						
6161	Licenses & Permits	\$0.00	\$5,300.00	\$2,889.25	\$0.00	\$0.00
Total: Services		\$0.00	\$5,300.00	\$2,889.25	\$0.00	\$0.00
<u>Capital Outlay</u>						
7102	Buildings & Structures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total: Capital Outlay		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Department Total: WWTP Environmental Permit		\$0.00	\$9,954.91	\$32,062.63	\$0.00	\$0.00
Revenue Totals:		\$2,096,781.31	\$2,080,458.47	\$2,599,009.04	\$1,911,980.00	\$ 1,924,832.00
Expense Totals		\$2,290,299.60	\$2,510,221.34	\$2,874,454.81	\$1,911,980.00	\$ 1,924,832.00
Fund Total: MB/CS Waste Water Fund		(\$193,518.29)	(\$429,762.87)	(\$275,445.77)	\$0.00	\$ -

Budget Notes for FY12-13

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 FY12/13 fiscal year.

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. To date MBCSD has been invoiced for \$474,490. 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 \$135,793. The PM services are expected to be required throughout FY12-13. These funds are allocated and tracked in capital project number: P0232 – 1103: WWTP Project Management.

Coastal Appeals Process: Funding was allocated in the FY11/12 budget for both the Alternatives Analysis Study that was conducted by Dudek and the Coastal Land Use Consultant, McCabe & Co. The contract with McCabe & Co is for a flat rate of \$12.5K per month. That contract was suspended as of June 1, 2011 and was reinstated on January 1, 2012. The original contract with Dudek for the Alternatives Analysis Study was for \$345,485. The City and District Board authorized a contract amendment for \$110,157 at the January 2012 JPA meeting. The funds for both these contracts are allocated and tracked in capital project number P0004 – 1105: Coastal Appeals Process. Depending on when the Coastal Commission schedules the de novo hearing and depending upon the outcome of that hearing, additional funds may need to be allocated to the Coastal Appeals Process in FY12/13.

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 FY12/13 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 11-12 through January (seven months of the fiscal year) the flow breakdown is 22.9% for the CSD and 77.1% for the City.

Personnel:

4110-Regular Pay: Decrease this line item to \$456,038 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. This figure could vary slightly based on the outcome of the on-going labor negotiations with the employment groups at the City.

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

4910-Employer Paid Benefits: Increase this line item to \$292,079 from \$289,510 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: Decrease this line item to \$1000 from \$1700. Funding would be used to purchase new batteries for the existing hand held radios at the plant, and the purchase of two new handheld radios.

5109 – Uniforms: Maintain this line item at \$12,000. 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 upgrades to equipment for confined space entry, and other safety related equipment.

5110-Fuel, Oil, Lubricants: Maintain this line item at \$5,000 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 \$130,000 from \$120,000 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: Increase this line item to \$1,700 from \$1,200. Additional funding would come from combining line items 5301 and 5302. It reflects historic budget levels.

5302 – Copies: Decrease this line item to \$0 from \$500. Combining this line item with 5301 would simplify tracking.

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: Maintain this line item at \$12,000. Funds in this line item would replace area lighting fixtures in the plant. 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.

5503 – Rolling Stock: No funds budgeted.

5504-Machinery and Equipment Supplies: Increase this line item to \$93,000 from \$76,000. 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. Historically this line item has been budgeted at \$60,000. Repair and maintenance costs are expected to increase as the plant ages. The additional funds are for four projects. The four projects are the purchase of a new manometer (\$15,000), purchase of a chemical resistant pump (\$5,000), the purchase of parts for rebuilding the sludge and scum pumps (\$10,000), and purchase of vacuum and pressure relief valves (\$3,000). A more detailed description of these projects 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 \$60,000. The FY11-12 budget allocated \$50K for the internal video inspection of the outfall that was completed in 2011. 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: Maintain this line item to \$205,000. 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. Applying the 2.0% increase in the February ENR to the FY11/12 base cost budget increases base cost for FY 12/13 to \$204,558. If this annual increase remains steady into July, the Base Program Costs is estimated at approximately 205,000. 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: Maintain this line item at \$5,000. This reflects expenditures in this line item over the last two fiscal years and the reduced costs are the result of increased efficiency of the boilers that are run almost exclusively off the methane gas produced in 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: Maintain this line item at \$12,500. 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: Maintain this line item at \$0. 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: Increase this line item to \$117,500 from \$110,000. 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 \$57,500 in funding is for the following projects. Replacement of the Variable Frequency Drives at the interstage pump station (\$10,000), rebuilding of one 3(w) pump (\$10,000), replacement of the skimmer arms on the primary and secondary clarifiers (\$10,500), purchase and installation of electrical components (\$15,000), repairs to the shop crane (\$5,000), and purchase of new aluminum slide gates (\$7,000). A more detailed description of the projects is contained in the projects section below.

6602 – O/S Structural: Maintain this line item at \$20,000. The 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.

7201 - Vehicle Acqui: Increase this line item to \$25,000 from \$0. Funds would be for the purchase of a new truck. A more detailed description is contained in the projects section below.
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 manometer: Line item 5504: This would replace the existing manometer currently in operation. The manometer is approaching the end of its useful life. These units are a critical component of the digester gas system and it allows for the efficient use of digester gas by the boilers and maintains a pressure set point within the digester gas system. Estimated cost is \$15,000.

Purchase of new Variable Frequency Drives (VFDs) for the interstage pump station: Line item 6601: This project would be for the purchase and installation of two new VFDs for the secondary effluent pumps at the interstage pump station. The existing VFDs are approximately 10 years old and are critical components of the interstage pump station and the secondary treatment process. Estimated cost is \$10,000.

Purchase of new scum skimmers assemblies for the primary and secondary clarifiers: Line item 6601: This would replace the two skimmers on the primary clarifiers and one of the two skimmers on the secondary clarifier (the other was replaced in FY11/12). The current skimmers are original plant equipment and no longer cost effective to repair. They are also critical components for maintaining effluent quality. Estimated cost is \$10,500.

Rebuild influent pump #1: Line item 6601: This project would rebuild main influent pump #1. Influent pumps #2 and #3 were rebuilt in 2010 and 2011. The rebuild provides increased pumping efficiency. The influent pumps are critical components of plant operations. Estimated cost for this project is \$6,500.

Purchase of parts for the rebuilding of the sludge and scum pumps: Line item 5504: Funds would be used for the purchase of parts for the rebuilding of two sludge pumps and two scum pumps. The pumps will be rebuilt by plant staff. Estimated cost is \$10,000.

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. Estimated cost is \$3,500.

Purchase and installation of electrical components: Line item 6601: This project would replace critical electrical components for vital plant equipment. Funding would be used to replace motor starters, contactors, and/or switches. The equipment being replaced is original plant equipment and is no longer cost effective to repair. Estimated cost is \$15,000.

Maintenance shop crane repair: Line item 6601: This project is for the inspection and repair of the maintenance shop crane. All cranes are inspected quarterly as mandated by CalOSHA. Repairs to the shop crane were identified during a recent inspection. Estimated cost is \$5,000.

Rebuild one 3(W) pump: Line item 6601: This project would rebuild of the two 3(w) pumps currently in service at the plant, the 3(w) pumps are used for delivery of process water (effluent) for in plant uses. These pumps are original plant equipment and have never been rebuilt. Estimated cost is \$10,000.

Purchase of a chemically rated pump: Line item 5504: Funds would be for the purchase of a chemically resistant diaphragm pump that could be used for both chemical transfer and spill containment within the plant. Estimated cost is \$5,000.

Purchase of new aluminum slide gates: Line item 6601: Funds would be used for the purchase of new aluminum slide gates for the headworks, grit basin, and sludge drying beds. The existing gates used to isolate channels and divert flows are original plant equipment and are no longer cost effective to repair. Estimated cost is \$7,000.

Purchase of a new truck: Line item 7302: The new truck would replace the existing 2001 Dodge ¾ ton pickup truck. The purchase of a new vehicle would allow the existing vehicle to be auctioned while it still has retail value. Estimate cost is \$30,000.

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: Susan Slayton, Finance Director

Date: June 14, 2012

Subject: Audit Contract Expiration

RECOMMENDATION

Direction to be provided by the joint governing bodies.

SUMMARY

The contract for auditing services with Crosby and Associated expired with the 2010/11 audit. This contract was had been extended once for a three-year period. Staff is asking for approval of another three-year extension or direction to issue a Request for Proposal (RFP) for Auditing Services.

FISCAL IMPACT

The cost to issue the RFP is in staff time, with City staff preparing the RFP, reviewing that document with the CSD, joint City and CSD staff review of the RFPs received, and then preparation of an agenda item for auditor section. The current contract is billed at Bob Crosby's hourly rates for specific staff members involved, not expected to exceed \$5,200.