

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

City of Morro Bay City Council:

Jamie Irons, Mayor
Christine Johnson, Vice-Mayor
George Leage, Councilmember
Nancy Johnson, Councilmember
Noah Smukler, Councilmember

AGENDA

MEETING DATE:

6:00 p.m., Thursday, September 11, 2014

MEETING PLACE:

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

HOSTED BY:

City of Morro Bay

CALL TO ORDER AND ROLL CALL

COUNCIL AND BOARD ANNOUNCEMENTS

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 these joint meetings is welcome and your courtesies 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 JUNE 12, 2014 JPA MEETING

Recommendation: Approve as submitted

A-2 WWTP OPERATIONS REPORT THROUGH JULY, 2014

Recommendation: Receive and file

A-3 STATUS REPORT ON THE NPDES PERMIT RENEWAL PROCESS

Recommendation: Receive and file

B. OLD BUSINESS

B-1 STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP

Recommendation: Receive and file

C. NEW BUSINESS

C-1 VERBAL REPORT AND DISCUSSION BY THE CITY AND DISTRICT ON THE PROGRESS OF THE FUTURE WWTP

C-2 FINANCIAL AUDIT CONTRACT RENEWAL

Recommendation: Following discussion of this item, the City Council and District Board provide direction to staff

C-3 SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

ADJOURNMENT - (Next meeting will be hosted by the Cayucos Sanitary District)

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 Rick Koon, 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.

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 joint meetings is welcome and your courtesy is appreciated. President Enns opened Public Comment.

Hearing no comments President Enns closed Public Comment and moved onto the consent calendar.

A. CONSENT CALENDAR

1. **MINUTES OF FEBRUARY 13, 2014 JPA MEETING**
Recommend approve as submitted.
2. **WWTP OPERATIONS REPORT THROUGH APRIL, 2014**
Recommend receive and file.
3. **STATUS REPORT ON THE NPDES PERMIT RENEWAL PROCESS**
Recommend receive and file.

Enns asked the panel if anyone wishes to pull one of the items for separate discussion.

Mayor Irons mentioned he would like to pull item A-3 for clarification.

CAYUCOS MOTION: Director Lyon made a motion to approve Consent Calendar Items A-1 and A-2. Director Foster seconded. Motion passed (4-0).

MORRO BAY MOTION: Vice-Mayor Johnson made a motion to approve Consent Calendar Items A-1 and A-2. Councilmember Smukler seconded. Motion passed (5-0).

Irons explained that he pulled item A-3 to get a brief overview and maybe discussion with Keogh or Livick concerning page 2, paragraph 3 of the staff report.

Keogh said the staff report is an overview of the permitting process for the NPDES permit for the WWTP. In particular, the paragraph that Irons referred to discusses the granting of a full secondary permit with interim effluent limit that allows for protection from fines over the next five years if the Morro Bay/Cayucos WWTP is not meeting full secondary effluent limits.

Livick said with the council's action earlier in the year, setting up the time schedule for the five-year time schedule to have the plant operational, we shouldn't run into any known issues at this point in time that would prevent us from being well under construction and perhaps even operational by the time of that permit period.

MORRO BAY MOTION: Mayor Irons made a motion to approve Consent Calendar Item A-3. Councilmember Smukler seconded. Motion passed (5-0).

CAYUCOS MOTION: Director Lyon made a motion to approve Consent Calendar Item A-3. Director Lloyd seconded. Motion passed (4-0).

B. OLD BUSINESS

1. STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP – Recommend receive and file.

Keogh gave an overview of the MMRP status report noting recent areas of accomplishments, and highlighting some of the projects that are ongoing at this time. He said there were five projects funded in this last fiscal year and that his staff report recaps those projects giving some detail as to what happened with them over the year. He also discussed some of the projects recommended for the upcoming fiscal year. The three mentioned were; cleaning and coating of digester #1, the rehabilitation of primary clarifier #2, and the purchase and installation of new distributor arms on the biofilter improvement project.

Smukler asked Keogh about the necessity of the floodwalls around the biofilters.

Keogh said they have never experienced flooding into those structures, but have come very close to having water inundate the large biofilter because of the elevation of where it is and where its drains are. In the event there is a flooding incident that topped the current wall or entered that system, the secondary treatment process would be shut down. Using a risk to benefit analysis, it is a job that needs to be done so that you protect the efficiency of the WWTP. He said Oceano is a good example of what happens. They did not protect some of the equipment at the Oceano WWTP in their headworks and when they were flooded, the Regional Board responded with very stiff fines.

Livick added that protecting the process from flooding is a permit requirement and agreed that it is also necessary because of the fines.

Sauerwein mentioned the extremes in weather conditions over the last several years and he thinks that is what has led all of them collectively to feel like now is the time to go ahead and take this extra step.

Lloyd noticed in the ongoing work for the repairs that the dewatering pumps are basically active and asked Keogh if they are dealing with groundwater from sub flow from the creek or tidal influences from the ocean and are they running 24/7?

Keogh said the treatment plant sits on very shallow groundwater, and always has, so they run those pumps 24/7. There are three wells in a triangular pattern around the digester and the floor of digester is approximately fifteen feet below grade so there is an extreme pressure on the floor of the digester if they don't dewater but they're only pulling maybe 10 or 20 gallons per minute out of those wells.

Enns asked Keogh to clarify that they are carrying over about \$625,000.00 from the last FY budget, and are planning to spend another \$596,000.00 on new projects and asked if any of the new projects would help in terms of that second 5-year period when they are supposed to be full secondary.

Keogh said the proposed projects will continue to maintain the operational efficiency as the plant is designed. The plant is not designed to run at full secondary treatment right now.

President Enns opened Public Comment.

- Barry Branin – Morro Bay. Asked if there was any opportunity to work with customers to establish some kind of provision within asking users to reduce their peak flows. He said he knows there are some real peaks on Sunday or Monday (due to laundry) because he can see the scum line on the rock Monday mornings.

Keogh said in 2004 they looked into building an equalization basin to improve the treatment efficiency of the plant. Keogh talked about flows and how they are very low in the middle of the night, they tend to pick up when people wake up, take showers and go to the bathroom, they peak at about eleven in the morning, then drop a little bit, re-peak when people come home from work, and then taper off throughout the night. Keogh said the weekend peaks are actually tourist driven. He added that based on their monitoring program, he is confident that the scum line Barry mentioned is not discharge from the WWTP.

Hearing no further comments, President Enns closed Public Comment and moved onto item C-1.

C. NEW BUSINESS

1. VERBAL REPORT AND DISCUSSION BY THE CITY AND DISTRICT ON THE PROGRESS OF THE FUTURE WWTP.

Koon said the Cayucos Sanitary District had a meeting back in April with the City of Morro Bay, the County of San Luis Obispo, and the Regional Water Quality Control Board. Since that meeting, the District started working with a right of way engineer to look at several different right of ways out to the CMC but they haven't received anything back from them yet. He said the District has also been working with the County to come up with a project scope in examining the capabilities of the CMC.

Carmel said the District and City staffs have been working with the Regional Board staff and the County of San Luis Obispo staff in developing a comprehensive evaluation of the capacity of the CMC plant. He said the scope of that work is still in the formative stages and it is hoped that it will be funded with administrative civil liabilities penalties that the Regional Board imposed on the CMC plant. He anticipates the study will be completed this summer.

Livick also said that they have been working on the scope with the CMC and reiterated the hope that the administrative liability penalties will help fund the program. He said the leadership toward that project for the County is somewhat shifting to different members of the Public Works department with the departure of their Public Works Director in the next few weeks. He mentioned that the City has entered into a contract with Kestrel Consulting, a company whose specialty is "shaking the money tree" and identifying potentials for funding. He said they are also working with a company called Larry Walker & Associates to look at potential permitting requirements we may be facing with creek discharge. A report will come back to Council sometime mid-summer. Livick also said the Chorro Creek options report will be coming later on this summer as well.

Smukler asked Livick if there was an MOU in the works regarding Rancho Colina and Mr. MacElvaine.

Livick said Council directed staff to start preliminary negotiations with the property owner at Rancho Colina to develop a framework for discussion should we move to that site, basically an MOU regarding where each site will be coming from.

C.Johnson said there has been some confusion with the public regarding whether or not there will be an expansion or a new plant built at the CMC.

Carmel says that is the purpose of the capacity study, to see exactly what is necessary to accommodate both flows from Morro Bay and Cayucos.

C.Johnson asked if someone could explain to people what the administrative fines mean and how that is going to fund the potential scope of work.

Carmel elaborated on how those types of fines are imposed.

C.Johnson asked if those funds don't come through, would the City and the District then be required to give funds for some of those initial studies?

Carmel answered "no, that would be voluntary".

Livick explained that when talking about expansion or a new plant, the goal is that they utilize as much of the current facility and remaining structures as much as possible.

President Enns opened for Public Comment.

Hearing no comments, President Enns closed Public Comment and moved onto item C-2.

2. REVIEW OF PORTION OF CITY OF MORRO BAY PROPOSED FISCAL YEAR 14/15 BUDGET RELATED TO OPERATION OF WWTP – Recommend the Morro Bay City Council (Council) and Board of Directors of the Cayucos Sanitary District (Board) discuss the described proposed budget, consider any changes recommended by Board Members and the Council and Board accept the described proposed budget, with changes as may be agreed to.

Susan Slayton gave an overview of her report on the proposed fiscal year 14/15 budget related to the operation of the WWTP. Gave reminder that there is no adoption of the budget at this meeting, it is just to present and review.

Keogh commented that the staff report and spreadsheets are very detailed. He said that there were two large projects funded in the 13/14 FY budget and would like those monies rolled over to the 14/15 FY budget. He said they are not asking for additional funds, they just want to "rebalance where those funds were going".

Irons thanked Keogh and Slayton for the staff report and their discussion regarding the budget.

Enns had a comment relating to the GL item "4910" on page 3 of the staff report. He pointed out the discrepancy regarding the figure in the staff report, specifically \$294,661 versus the \$294,660 listed on the budget spreadsheet for that line item and jokingly remarked that he wanted to let them know he read their reports.

More discussions of the same went on between Enns, Keogh, and Slayton regarding the budget and specific line items.

Foster said he couldn't reconcile or "tie in" the numbers between the audit and the budget.

Slayton clarified that the documents in front of them were the 2014 amended/proposed budget and the 2013 audit.

President Enns opened for Public Comment.

Hearing no further comments, President Enns closed Public Comment concluding item C-2 and requested a 10-minute break.

President Enns called the meeting back to order at 7:12pm and moved on to item C-3.

3. PRESENTATION OF THE FISCAL YEAR 2012/13 AUDIT – Recommend accept the Fiscal Year 2012/13 Audit

Slayton asked that the auditor Bob Crosby give the presentation on his audit.

Crosby first apologized for the delay in providing the audit timely. He said it was due to him contracting the swine flu on a cruise ship to Mexico. Crosby then gave a slight overview of the audit, pointing out that there were no problems with the financial statements. He said they don't like to see a lot of journal entries in the financial statements, and in this reporting year, there was only one. He spoke about the latest changes in GASB63 regarding "net assets" to "net position" (disclosure in terminology).

Irons asked Crosby to elaborate on the one-dollar discrepancy regarding the "extraordinary item" page 7, "note 7" in his report.

Crosby said it was in his error and he will correct that.

Enns asked Crosby to clarify page 1, specifically the "construction in progress", asking if it was an adjustment from 2012.

Crosby said in 2012 it had not been adjusted yet, because they had done their final audit and the WWTP modification was disallowed between the time the audit was done and the time he presented it.

Foster asked Crosby to clarify whether the \$2,235,000 included capitalization of Morro Bay staff salaries.

Crosby said it is an accumulation of all the costs that were associated with the construction and progress up to that point of the WWTP. He said he wasn't sure if any salaries were actually allocated but then added that if salaries were, it would have been in direct correlation to the construction and progress for the WWTP.

Foster asked Crosby for a definitive answer on whether or not that figure included Morro Bay staff salaries because it does not include Cayucos District staff salaries.

Crosby said he and Slayton would have to research it further to know for sure.

Slayton addressed Foster and said in general, anything that they do for the WWTP, they don't have staff costs in there, and that they are usually kept within the plant.

Foster asked why it is categorized as "extraordinary".

Crosby said because it is not an operational or frequent/typical expense.

President Enns opened for Public Comment.

Hearing no comments, President Enns closed Public Comment and moved onto item C-4.

4. SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

Enns asked if anyone had recommendations on items for the next agenda, or suggestions for when the next joint meeting should be held.

Koon asked that they hold the July 10, 2014 meeting date open until he can get together with Morro Bay staff and discuss whether they have any items.

Enns said Cayucos will keep that date open.

Irons agreed on behalf of Morro Bay.

Enns said the next District Board and Council meeting is tentatively set for July 10, 2014, Morro Bay hosting.

ADJOURNMENT

President Enns adjourned the meeting at 7:28 p.m.

Minutes Recorded and Respectfully Submitted By:

X

Danielle Crawford
Administrative Services Billing Manager

STAFF REPORT

**CITY OF MORRO BAY-CAYUCOS SANITARY DISTRICT
WASTEWATER TREATMENT PLANT (WWTP)**

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

FROM: Bruce Keogh, Morro Bay Wastewater Division Manager

DATE: September 4, 2014

SUBJECT: WWTP Operations Report through July, 2014

RECOMMENDATION:

This Department recommends this report be received and filed.

FISCAL IMPACT:

None

SUMMARY:

Attached, find copies of the Morro Bay-Cayucos WWTP reports, for May to July 2014 and the WWTP flow summary, through July 2014. This information updates the item from the June 12, 2014 meeting.

The City of Morro Bay-Cayucos Sanitary District Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY MAY 2014

Flow for the month of May averaged 0.920 Million Gallons per Day (MGD).

Removal of suspended solids ranged from 91.4 % to 95.4 % for the month, with an average removal of 93.3 % for the month. BOD removal ranged from 84.9 % to 90.8 % for the month, with an average removal of 88.1 % for the month. There was no rainfall for the month. 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:

During the month of May, staff continued work on the process for repairing and rehabilitating digester #2. Activities included:

- Continued operation of the well pumps in three of the dewatering wells at the plant. The wells lower the ground water levels around digester #2 while repairs are preformed upon the digester.
- Plant staff completed the process for replacement or rebuilding of various piping and valves on digester #2 used to transfer sludge within the digester sludge recirculation system.
- Staff from Alpha Electric and plant staff completed the installation of a Toshiba electromagnetic flow meter on the sludge recirculation piping for digester #2.
- Staff from Cor-Ray Painting Company completed the sandblasting and coating of Digester #2.
- Staff from Speiss Construction installed the gas lances and associated equipment from Digester #2, which had been removed for repairs and coating.
- Plant staff began filling the digester on May 27 and the process was completed on May 28.
- Plant staff noted minor leaks in the sidewalls of the digester on May 27 and alerted the engineers of the situation.
- Plant staff noted when the tank was pressurized with nitrogen gas there was a minor gas leak in the center pedestal of the digester that supports the manway for the gas lances. Staff is consulting with various vendors for possible solutions
- Plant and City staff, staff from Mike Nunley and Associates (MKN), and the coating inspector, Rusty Pauls, inspected the digester and developed a strategy for repairing the gas leak on the roof.

During May, the City and District continued with activities related to the procurement of new influent screens and a washer compactor unit at the headworks. During the procurement process for the screens, a RFP will be developed for hiring a contractor to install the screen units. The tentative schedule calls for the screens and washer compactor equipment to arrive mid-September for installation in September 2014.

On May 14 staff drained the chlorine contact tank for inspection and minor repairs. Prior to draining the chlorine contact tank, staff drained the grit chamber and primary clarifier on May 11 and 12 respectively. They filled the empty tanks while they pumped the contents of the chlorine contact tank to a sludge bed to maximize the time the tank could be offline. Staff began the process of draining the chlorine tank at 0150 hours and the tank was empty and clean at 0440 hours. Staff performed a detailed inspection, pulled a link from the drive chains in the north tank to tighten the chain, and performed spot repairs on the wear rails on the floor of the south tank. Staff from MKN, Black & Veatch (B&V), and City staff were present to assist in the inspection and devise a strategy for future repairs. The tank was full and flowing at approximately 1030 hours. While the flow was shut down to the chlorine contact tank, staff was able to maximize the allotted work time within the tank by filling the grit chamber and primary clarifier #2 in combination with the low flow periods experienced during the early morning hours; this resulted in no effluent being discharged while the repairs were being performed.

On May 13, staff from Alpha Electric installed a 400 Amp breaker on the emergency auxiliary generator. The 400 amp breaker will provide additional protection for the emergency auxiliary generator from an overcurrent situation. The generator was offline from 0900 to 1900 hours while the breaker was installed.

On May 2, staff from A&I Pipe installed and calibrated new sensors on the atmospheric monitors located at the headworks.

On May 22 at 0320 hours, plant staff responded to a main influent gate closure alarm at the plant. Upon arrival they discovered that the load shedding equipment in the electrical panel for motor control center E (the maintenance shop MCC) had shorted out, causing the main breaker for MCC-E to trip shutting down all power to any electrical devices powered from MCC-E. This prevented the service air compressors from running. These compressors are used to pressurize the air system used to open and close the main influent gate as well as the air driven diaphragm pumps used to pump primary sludge. As the sludge pumps ran during the course of the evening, they depleted the service air system to the point that there was not enough air pressure within the system and the main influent gate closed. Upon arrival, plant staff used a trailer mounted portable air compressor to tie into the service air system and repressurize the system so that the main gate could be opened and flow restored into the plant. Alpha Electric made emergency repairs to the load shedding equipment within MCC-E restoring power to the maintenance shop and associated equipment. Plant staff is working with Alpha Electric to alarm each MCC in the event a MCC loses power for any reason.

The twenty-four hour flow total reported for May 21 was based on the twenty-four hour flow total recorded on the effluent flow meter that was adjusted using the equation contained in the Recommendations Section of the 2013 Annual Report (page 5-8). The equation is: Estimated Influent = 0.748 * effluent. The errant flow total recorded on May 21 was due to problems with the load shedding equipment in Motor Control Center E described above. The problems with the load shedding equipment resulted in the closure of the main influent gate causing influent to stack in the trunk line resulting in the flume surcharging. The influent flow meter recorded a twenty-four hour flow total of 1.623 million gallons. The effluent meter recorded a twenty-four hour flow total of 1.118 million gallons. The twenty-four hour flow total for May 21 was calculated as: $0.748 * 1.118 = 0.836$ million gallons.

During the month of May, staff from Alpha Electric completed the installation, calibration, and trouble shooting of a new pressure transducer used as the level control system for the headworks influent pumps. The pressure transducer replaces an air-bubbler system that was on longer cost effective to repair.

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for April 2014

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

- The April 2014 Monthly Monitoring Data
- The Second Quarter Receiving –Water Survey April 2014

On May 6, at 2015 hours, staff responded to a high chlorine residual alarm at the plant. They 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 change in the alarm set point for the chlorine residual alarm was effective in prompting a quick response time.

On May 30, at 0600 hours, staff responded to a high chlorine residual alarm at the plant. They 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 change in the alarm set point for the chlorine residual alarm was effective in prompting a quick response time.

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/May2014

The City of Morro Bay-Cayucos Sanitary District Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY **JUNE 2014**

Flow for the month of June averaged 0.986 Million Gallons per Day (MGD).

Removal of suspended solids ranged from 89.5 % to 94.8 % for the month, with an average removal of 92.0 % for the month. BOD removal ranged from 82.7 % to 87.9 % for the month, with an average removal of 85.7 % for the month. There was no rainfall for the month. 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:

During the month of June, staff continued work on the process for repairing, rehabilitating, and bringing digester #2 back to an operational status. Activities included:

- Continued operation of the well pumps in three of the dewatering wells at the plant. The wells lower the ground water levels around digester #2 while repairs are preformed upon the digester.
- Plant staff continued to work with City staff and staff from Mike Nunley and Associates (MKN) on repair solutions for the minor gas leak in the center pedestal of the digester that supports the manway for the gas lances.
- On June 23, plant staff made repairs to the center pedestal of the digester that supports the man way for the gas lances. They utilized an epoxy concrete material that has been used in similar applications.
- Plant staff worked in coordination with engineering staff at the City and Mike Nunley Associates to pressure test digester #2 at operational pressures (12" of water column).
- Plant staff replaced a small section of piping on the heat exchanger piping system that was leaking and not cost effective to repair.
- Installed a new 3-way valve on the heat exchanger piping for digester #2.
- Installed new drive belts on the sludge recirculation pump and gas recirculation blower for digester #2. They also installed a new drive belt on the sludge recirculation pump for digester #1.

During June, the City and District continued with activities related to the procurement of new influent screens and a washer compactor unit at the headworks. During the month of June, plant staff completed repairs and modifications to piping for the 3W water system and the piping for the instrument air system at the headworks. On June 18, the City and District public noticed the bid package for installation of the headworks screen, washer compactor, and associated equipment. Bids are due on July 15, with award of contract shortly thereafter. On June 30, there was a pre-bid job walk at the plant. The tentative schedule calls for the screens and washer compactor equipment to arrive mid-September for installation in October 2014.

On June 13, plant staff removed the 6" valve and associated piping on the outgoing sludge line from digester #1 J-Box for inspection. They discovered and removed a significant amount of struvite crystals from the valve and a small

section of piping on the sludge line. They noted that previous modifications to the piping aided in an easy inspection and struvite removal process.

On June 23, staff from Kones Cranes performed the quarterly inspection of the three cranes at the plant. Staff is waiting for the inspection report at this time.

On June 11, staff from Hinson's Tires replaced the rear wheel on the front end loader. The existing wheel was bent and not cost effective to repair.

On June 16, staff from Coastline Equipment performed service and maintenance activities on the front end loader.

On June 21 at 2148 hours, plant staff responded to a low service air alarm at the plant. Staff from Alpha Electric discovered a blown fuse in the load shedding equipment for the service air system. They replaced the fuse and were able to get the service air system back on-line. On June 23 staff from Alpha Electric disconnected the service air system from the load shedding equipment in MCC-E. Staff from Alpha recommended disconnecting the service air system because the starting load on the compressors is not high enough to include them in the load shedding sequence for MCC-E

On June 2, laboratory staff received notice that they had acceptable results for Water Pollution -231 Performance Testing (WP – 231). WP-231 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). For the year 2014, WP-231 replaces the Discharge Monitoring Report-Quality Assurance (DMR-QA) Study that is usually sponsored annually by the United States Environmental Protection Agency (USEPA).

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for June 2014

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

- The June 2014 Monthly Monitoring Data

On June 3, Mr. Bruce Keogh, Mr. David Bierman, Mr. Neza Chavira, and Mr. Steve Aschenbrener attended a Preventing Discrimination and Harassment class sponsored by the California Joint Powers Insurance Authority.

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/June2014

The City of Morro Bay-Cayucos Sanitary District Wastewater Treatment Plant

MONTHLY OPERATIONS SUMMARY

JULY 2014

Flow for the month of June averaged 1.100 Million Gallons per Day (MGD).

Removal of suspended solids ranged from 85.9% to 95.4 % for the month, with an average removal of 91.9 % for the month. BOD removal ranged from 69.3 % to 90.9 % for the month, with an average removal of 82.0 % for the month. There was no rainfall for the month. For the month of July, 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:

During the month of July, staff continued work on the process for repairing, rehabilitating, and bringing digester #2 back to an operational status. Staff also has begun making preparations for taking digester #1 off-line for cleaning and repairs. Activities included:

- Plant staff discontinued the operation of the well pumps in three of the dewatering wells at the plant. They removed the well pumps and reinstalled them in the appropriate wells surrounding digester #1 which is scheduled to be cleaned and drained in late October. The wells will be used to lower the ground water levels around digester #1 while repairs are preformed upon that digester.
- Plant staff continued to work in coordination with engineering staff at the City and Mike Nunley Associates to pressure test digester #2 at operational pressures (12" of water column).
- On July 14, staff began the process of transferring digested sludge from digester #3 to digester #2 to bring digester #2 on-line as an active digester. This process should take approximately six to eight weeks.
- On July 16, plant staff notified staff at the Air Pollution Control District (APCD) that the repair project for digester #2 was complete and that it was being brought back on-line.
- Installed a new vacuum-pressure relief valve on digester #2.
- Staff from Alpha Electric and plant staff completed the installation of a Toshiba electromagnetic flow meter on the sludge recirculation piping for digester #3.

During July, the City and District continued with activities related to the procurement of new influent screens and a washer compactor unit at the headworks. On July 17, the City and District awarded a contract to Raminaha Construction Inc., of Atascadero for \$138,495. The screening equipment is scheduled to arrive at the plant on September 12. Raminaha Construction is scheduled to begin installation following receipt of the equipment. During the month of July, plant staff completed repairs and modifications to piping for the 3W water system and the instrument air system at the headworks.

On July 19 Staff from Alpha Electric discovered and replaced a blown fuse in the load shedding equipment for Motor Control Center E located in the maintenance shop. The blown fuse caused the hot water circulation pumps for the boilers and the drive unit for the chlorine contact flight system to shut down. They replaced the fuse and were able to get the hot water circulation pumps and chlorine contact drive unit back on-line. Staff from Alpha disconnected the hot water circulation pumps and the chlorine contact drive unit from the load shedding system because the starting load on those systems is not high enough to warrant including them in the load shedding sequence for MCC-E.

On July 25, staff from Perry's Motors picked up the sump pump located in the lower headworks and took it to their shop for maintenance and repairs.

During July, staff removed and installed new diffusers on the diffuser manifolds located in the solids contact channel in the secondary clarifier system.

On July 23, staff modified the service air piping system to the main influent gate at the headworks. The new air line configuration will allow staff to utilize a portable air compressor to maintain control of the main influent gate in the

event that the plants service air system fails. The main gate utilizes air from the plants service air compressors for operational control.

On July 30, staff replaced the secondary clarifier scum trough discharge piping. The existing piping was badly corroded and was plugged with debris.

During the month of July, staff replaced the supply and discharge tubing and fittings on sodium hypochlorite pumps #2 and #3 used for disinfection of the effluent.

On July 6, plant staff discovered and replaced a faulty pressure regulator on the sodium hypochlorite piping system used for disinfection.

On July 11, staff from SLO Powerhouse performed the quarterly maintenance service on the plants emergency auxiliary generator. No problems were noted during the inspection and service.

On July 16, plant staff sampled the biosolids in storage at the plant. Staff is awaiting the results of the biosolids analyses at this time. After receipt of the results, staff will make arrangements with a contractor to compost the biosolids.

On July 21, staff discovered and removed a recreational vehicle sewer discharge hose that had been become lodged in the cutter cartridge of the muffin monster causing the cutter to jam and become inoperable. The disabled cutter cartridge caused the flow to stack in the influent trunk line surcharging the metering flume. This resulted in incorrect influent flow totals for July 19 and 20. The corrected flow totals are discussed below.

The twenty-four hour flow totals reported for July 19 and 20 were based on the twenty-four hour flow totals recorded on the effluent flow meter that was adjusted using the equation contained in the Recommendations Section of the 2013 Annual Report (page 5-8). The equation is: Estimated Influent = 0.748 * effluent. The errant flow totals recorded on July 19 and 20 were due to problems with the muffin monster cutter cartridge described above. The problems with the muffin monster equipment caused the influent to stack in the influent trunk line resulting in the flume surcharging.

On July 19, the influent flow meter recorded a twenty-four hour flow total of 1.512 million gallons. The effluent meter recorded a twenty-four hour flow total of 1.378 million gallons. The twenty-four hour flow total for July 19 was calculated as: $0.748 * 1.378 = 1.031$ million gallons.

On July 20, the influent flow meter recorded a twenty-four hour flow total of 1.726 million gallons. The effluent meter recorded a twenty-four hour flow total of 1.441 million gallons. The twenty-four hour flow total for July 20 was calculated as: $0.748 * 1.441 = 1.078$ million gallons.

No value was reported for the total coliform BacT test that was set up on July 25. Lab staff failed to transfer the positive presumptive tubes to the correct confirmation broth tubes in the prescribed time frame. The test results were not reported as the test procedure did not conform to the techniques described in the 22nd Edition of Standard Methods for the Examination of Water and Wastewater.

On July 5, at 2018 hours, staff responded to a low chlorine residual alarm at the plant. They made minor adjustments to the dosing pumps, cleaned the probe in the sample cell of the analyzer and calibrated the chlorine residual analyzers. They 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.

The following reports were submitted to the appropriate agencies:

- The Discharge Monitoring Forms (DMR) for June 2014
- The Semiannual Effluent Sampling Chemical and Bioassay Analysis Results July 2014

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

- The June 2014 Monthly Monitoring Data
- The Semiannual Effluent Sampling Chemical and Bioassay Analysis Results July 2014

On July 7, plant staff notified staff at APCD that the hydrogen sulfide concentration in the digester gas was at or above the limit contained within the APCD permit for operating the digester. The concentration recorded was 600 parts per million (PPM) and the limit within the permit is 600 PPM. Staff made corrective actions by increasing the ferrous chloride dose to the plant which assists in controlling the hydrogen sulfide concentration within the digester gas. Per APCD staffs request, the digester gas was sampled the next day July 8 (400 PPM) and on July 11 (300PPM). Staff believes the elevated hydrogen sulfide level was caused by the large increases in flow and loading during the Fourth of July weekend.

On July 22, plant staff notified staff at APCD that the hydrogen sulfide concentration in the digester gas was at or above the limit contained within the APCD permit for operating the digester. The concentration recorded was 625 parts per million (PPM) and the limit within the permit is 600ppm. Staff made corrective actions by increasing the ferrous chloride dose to the plant which assists in controlling the hydrogen sulfide concentration within the digester gas. Per APCD staff request, the digester gas was sampled again on July 24 (175 PPM). Plant staff has implemented an operational change to increase the dosing of ferrous chloride on the weekends to offset increased flows and loadings.

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/July2014

2012	Total Plant Flow		Cayucos Flow Total			Morro Bay Flow Total			# of days	Dates
	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%		
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	33.393	1.077	7.390	0.238	22.1%	26.003	0.839	77.9%	31	May 1 - 31, 2012
JUNE	40.101	1.337	7.687	0.256	19.2%	32.414	1.080	80.8%	30	June 1-30, 2012
JULY	46.989	1.516	9.832	0.317	20.9%	37.157	1.199	79.1%	31	July 1-31, 2012
AUG	34.343	1.108	8.191	0.264	23.9%	26.152	0.844	76.1%	31	August 1-31, 2012
SEPT	28.167	0.939	6.825	0.228	24.2%	21.342	0.711	75.8%	30	September 1-30, 2012
OCT	27.793	0.897	6.788	0.219	24.4%	21.005	0.678	75.6%	31	October 1-31, 2012
NOV	26.892	0.896	6.295	0.210	23.4%	20.597	0.687	76.6%	30	November 1-30, 2012
DEC	29.608	0.955	8.023	0.259	27.1%	21.585	0.696	72.9%	31	December 1-31, 2012
ANNUAL AVERAGES	33.475	1.097	7.600	0.249	22.9%	25.875	0.848	77.1%		
2013	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%	# of days	Dates
JAN	31.654	1.021	8.141	0.263	25.7%	23.513	0.758	74.3%	31	Jan 1-Jan 31, 2013
FEB	27.890	0.962	6.431	0.222	23.1%	21.459	0.740	76.9%	29	Feb 1-Feb 29, 2013
MAR	30.827	0.994	7.341	0.237	23.8%	23.486	0.758	76.2%	31	March 1 - 31, 2013
APR	28.201	0.940	7.122	0.237	25.3%	21.079	0.703	74.7%	30	April 1 - April 30, 2013
MAY	28.627	0.923	6.310	0.204	22.0%	22.317	0.720	78.0%	31	May 1 - 31, 2013
JUNE	29.489	0.983	6.493	0.216	22.0%	22.996	0.767	78.0%	30	June 1-30, 2013
JULY	34.606	1.116	10.289	0.332	29.7%	24.317	0.784	70.3%	31	July 1-31, 2013
AUG	30.808	0.994	8.119	0.262	26.4%	22.689	0.732	73.6%	31	August 1-31, 2013
SEPT	27.756	0.925	6.769	0.226	24.4%	20.987	0.700	75.6%	30	September 1-30, 2013
OCT	27.480	0.886	6.529	0.211	23.8%	20.951	0.676	76.2%	31	October 1-31, 2013
NOV	27.351	0.912	6.628	0.221	24.2%	20.723	0.691	75.8%	30	November 1-30, 2013
DEC	27.685	0.893	6.340	0.205	22.9%	21.345	0.689	77.1%	31	December 1-31, 2013
ANNUAL AVERAGES	29.365	0.963	7.209	0.236	24.4%	22.155	0.726	75.6%		
2014	Total Flow	Daily Flow	Total Flow	Daily Flow	%	Total Flow	Daily Flow	%	# of days	Dates
JAN	27.535	0.888	6.380	0.206	23.2%	21.155	0.682	76.8%	31	Jan 1-Jan 31, 2013
FEB	25.884	0.893	6.560	0.226	25.3%	19.324	0.666	74.7%	29	Feb 1-Feb 29, 2013
MAR	27.825	0.898	7.020	0.226	25.2%	20.805	0.671	74.8%	31	March 1 - 31, 2013
APR	27.489	0.916	6.733	0.224	24.5%	20.756	0.692	75.5%	30	April 1 - April 30, 2013
MAY	28.532	0.920	6.369	0.205	22.3%	22.163	0.715	77.7%	31	May 1 - 31, 2013
JUNE	29.581	0.986	6.520	0.217	22.0%	23.061	0.769	78.0%	30	June 1-30, 2013
JULY	34.093	1.100	8.565	0.276	25.1%	25.528	0.823	74.9%	31	July 1-31, 2013
AUG		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	31	August 1-31, 2013
SEPT		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	30	September 1-30, 2013
OCT		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	31	October 1-31, 2013
NOV		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	30	November 1-30, 2013
DEC		0.000		0.000	#DIV/0!	0.000	0.000	#DIV/0!	31	December 1-31, 2013

STAFF REPORT

**CITY OF MORRO BAY-CAYUCOS SANITARY DISTRICT
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, Morro Bay Wastewater Division Manager

DATE: September 11, 2014

SUBJECT: Status Report on the Permit Renewal Process for the Wastewater Treatment Plant
NPDES Permit No. CA0047881

RECOMMENDATION:

This Morro Bay Public Services Department recommends this report be received and filed.

FISCAL IMPACT:

To date, the fiscal impact for FY13/14 has been \$4,147.25 for consultant support services for the permit renewal effort. The FY 14/15 WWTP budget contains funds for the permit renewal effort.

SUMMARY:

This staff report is intended to provide an update on the permit renewal process for the Morro Bay/Cayucos Wastewater Treatment Plant since the June 2014 joint meeting of the City Council and District Board. The Morro Bay/Cayucos Wastewater Treatment Plant (plant or WWTP) operates under National Pollution Discharge Elimination System (NPDES) permit No. CA0047881. The NPDES permit expired on March 1, 2014. The existing NPDES permit has been administratively extended while the renewal process is on-going. The existing NPDES permit includes a 301(h) modified discharge permit, which waives full secondary treatment requirements; it is important to note that the 301(h) modified discharge permit applies only to full secondary treatment requirements for suspended solids and Biochemical Oxygen Demand (BOD). The plant operates as a full secondary treatment facility for all other constituents listed in the NPDES permit.

NPDES permits are generally issued for five years. The permit requires the City and Sanitary District (MBCSD) submit an application, six-months prior to the expiration of the permit. Because the permit became effective March 1, 2009, a complete application packet was delivered to Regional Water Quality Control Board (RWQCB) on August 26, 2013. A copy of the entire application packet can be viewed on the City website at www.morro-bay.ca.us/npdes. A copy of the application packet was also forwarded to the Environmental Protection Agency (EPA).

DISCUSSION:

Per the direction of the Council and District Board, the application packet submitted to the RWQCB is for a full secondary permit with interim effluent limits. This application does not include an application for a 301(h) modified discharge permit.

Staff is currently waiting for RWQCB staff and their EPA subcontractor to finish drafting the NPDES permit. RWQCB staff has received the draft permit from their EPA subcontractor and are currently conducting their review of the draft permit. Once RWQCB staff has completed their review of the draft permit, RWQCB staff has stated they will forward the draft permit to MBCSD to give them an opportunity to review the draft permit and provide comment to RWQCB prior to public noticing of the draft permit.

The granting of a full secondary permit with interim effluent limits allows for MBCSD to be protected from fines for not meeting full secondary effluent limits. The interim effluent limits can only be applied to one five-year permit cycle, meaning at the end of that permit cycle, the plant would have to meet full secondary treatment requirements or face minimum mandatory penalties of at least \$3,000 per day per constituent that is violated. For example if the permit renewal date was September 2014, then the plant would have to meet full secondary requirements by September 2019, when the permit with the interim effluent limits expires. However, RWQCB staff has indicated, after the first five-year permit cycle, they may be able to extend the interim effluent limits another five years to allow MBCSD more time to complete the development of a new WRF and provide protection from potential minimum mandatory penalties. There is a major caveat to receiving some form of extension after the initial five-year permit; significant progress needs to have been made in the siting of the new WRF, if not under construction,

As the permit renewal process progresses, MBCSD will need to have discussions regarding adoption of a new conversion schedule through an enforceable instrument approved by the RWQCB. Similar to the existing Settlement Agreement, a new settlement agreement will likely include a conversion schedule with milestones for completing the planning, design, construction and operation of the new WRF.

CONCLUSION:

Staff will continue to update the Council and Board on the permit renewal process as information becomes available.

STAFF REPORT

CITY OF MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT (WWTP)

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

FROM: Bruce Keogh, Morro Bay Wastewater Division Manager

DATE: September 11, 2014

SUBJECT:

Status Report of a Major Maintenance & Repair Plan (MMRP) for the WWTP

RECOMMENDATION:

Morro Bay and Cayucos Sanitary District staffs recommend this report be received and filed.

FISCAL YEAR:

No fiscal impact at this time as a result of this report. Fiscal impact is addressed through the budget process.

BACKGROUND:

This staff report is intended to provide an update on the development of the MMRP for the WWTP. At the February 14, 2013, JPA meeting the Council and District Board approved the development of an MMRP and made the following motion:

- Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget;
- The JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by Morro Bay's Public Services Director and Cayucos Sanitary District Manager; and
- The Morro Bay Public Services Director and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP.

Development of a MMRP will assist the City and District in projecting the budgeting of expenditures required to keep the current plant operating in compliance with regulatory requirements.

Staff's focus has been on developing and implementing work on the MMRP projects approved for the FY14/15 budget. The adopted FY14/15 budget contains \$1.221M for funding MMRP projects. The funds represent new MMRP projects as well as roll over from the FY13/14 budget for the headworks screening project and chlorine contact tank repairs. Staff is continuing to develop and refine the implementation schedule for projects funded in the FY 14/15 budget. This staff report includes a description of on-going MMRP projects and MMRP projects approved for funding in FY14/15.

DISCUSSION

Digester #2 Repair

The repair projects for digester #2 have been successfully completed. Staff filed a Notice of Completion for the Project No. MB-2014-WW02, MMRP: Digester #2 Coating Project with the County Clerk Office on September 8, 2014. Plant staff continues with the process to bring digester #2 back on-line as a functional primary digester. They will now focus on the process for the cleaning and coating of digester #1.

Plant staff anticipates cleaning digester #1 in mid to late October, with sandblasting and coating projects as well as piping and valving repairs and replacement to follow. The goal will be to have digester #1 back on-line prior to May 2015. Staff from the City, District, and Mike Nunley & Associates (MKN) will utilize the lessons learned from digester #2 in preparing and implementing the scope of work for digester #1.

Headworks Influent Screening Project

The headworks influent screening project remains on schedule. The screens and associated equipment are scheduled for delivery on September 12th. City and District staff anticipate a Notice to Proceed in September with completion of the project by November, 2014.

Chlorine Contact Basin Improvements

Plant staff issued a purchase order on August 15th for the purchase of the required equipment to replace the head and idler shaft assemblies in the south portion of the chlorine contact tank. Staff is making arrangements with a contractor for the installation of the shafts and associated equipment in late October or early November depending on when the equipment is received. Plant staff will also be making minor repairs to other equipment within the tank when the tank is off-line. The work will require by-passing the chlorine contact for up to a twenty-four hour period. By-passing of the tank will result in an effluent violation and the associated minimum mandatory penalty of \$3,000. During the time period the tank is off-line, staff will chlorinate and disinfect the effluent, but will not be able to dechlorinate the effluent resulting in the violation. Both staff at the Regional Water Quality Control Board and the California Department of Health Shellfish Division have been notified of our repair plans and the intent to by-pass the chlorine contact tank.

MMRP Projects and Budget for FY 14/15

The City and District adopted a budget for the WWTP following presentations at the June 5, 2014 City Council Budget Workshop and the June 12, 2014 JPA meeting. The adopted FY14/15 budget contains \$1.221M for funding MMRP projects. The funds represent new MMRP projects as well as roll-over from the FY13/14 budget for the headworks screening project and chlorine contact tank repairs discussed above.

In adopting the FY 14/15 budget, the City and District approved staff's request to reallocate \$125K of the \$200K allocated for the chlorine contact tank repairs to the headworks screening project for FY14/15. This would provide \$550K to finish the headworks screens and \$75 K for the chlorine contact tank repairs. The MMRP budget for FY 14/15 projects is estimated at \$596K. Coupled with the carry-over of funds for the headworks screen project (\$550K) and chlorine contact project (\$75K), this would bring the total MMRP budget for FY14/15 to \$1.221M.

The following narrative provides a summary of the new MMRP projects adopted in the FY14/15 budget.

New MMRP projects for the FY14/15 fiscal year:

The following MMRP projects are included in the adopted FY14/15 budget.

1. The cleaning and coating of digester #1: This will provide funding for the cleaning and coating of digester #1; in addition, structural analysis and potential structural repair work will be required. This project also includes funding for piping and valving repairs on digester #3 and digester #2 and replacement of various equipment required to operate the digesters. Cost estimates for the various components are: \$180,000 for cleaning and coating digester #1; \$50,000 for the purchase of valves and piping for digester recirculation and transfer lines on digester #1; \$60,000 for piping repairs to digester #3 and #2; and, \$20,000 for replacement of the sludge recirculation pump on digester #3. In addition, there is a list of equipment and components that will need to be repaired or replaced. These repairs will coincide with the digester cleaning and rehabilitation project and include the replacement of the spark arrestors and vacuum/pressure relief valves on the top of all three digesters (\$15,000) and purchase of three hot water circulation pumps for the hot water loop used to heat the digesters (\$6,000). All items are vital for the operational and safety components of the anaerobic digestion process. The total estimated cost for cleaning, rehabilitation, and equipment repair and replacement for digester #1 is \$331,000.
2. Rehabilitation of primary clarifier #2: This will provide funding for the highest priority projects on primary clarifier #2 and includes repairs to the metal framework on the flights and skimmer cage assembly; repair and replacement of piping and valving, and other associated repairs. Estimated cost for these projects is \$50,000.
3. Purchase and installation of new distributor arms on biofilter improvement project: This will provide funding for several projects to improve biofilter #2 and the interstage pump station to include the purchase and installation of new distributor arms on biofilter #2 and replacement of the main bearing on the turntable (\$65,000). The biofilter arms are badly corroded and have exceeded their useful life. These units are a critical component of the secondary treatment system. Funds will also be used to install flood walls surrounding the two biofilters and interstage pumps to prevent inundation during a flooding event (\$150,000). Total cost estimate for this work is \$215,000.

CONCLUSION

Staff will continue to bring a status report on the development of the MMRP at future joint Council and District Board meetings.

STAFF REPORT

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

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

From: Susan Slayton, Administrative Services Director

Date: September 4, 2014

Subject: Discussion on Wastewater Treatment Plan Audit Contract

RECOMMENDATION

The Morro Bay City Council (Council) and Cayucos Sanitary District Board of Directors (Board) discuss and choose one of the suggested alternatives:

1. Extend Crosby & Company's audit contract for an additional three years; or
2. Add this audit to the City's audit contract with Pressley & Associates; or
3. Issue a Request for Proposal (RFP) for Audit Services for the 2015 – 2017 fiscal years.

SUMMARY

The current audit contract with Crosby & Company expires with the completion of the 2013/14 fiscal year audit. Staff is asking for direction on audit services for the 2015 – 2017 fiscal years.

FISCAL IMPACT

The budget for audit services is \$6,000. For the past years, Crosby & Company has charged \$5,900 for the 2011/12 and 2012/13 audits.

DISCUSSION

In the past, difficulties have been encountered with securing an auditor for Wastewater Treatment Plant audit. It is a small audit, and does not generate a lot of money for the agency. The pool of governmental auditors is limited, and the larger firms have typically not responded to past RFPs. The Council and Board have wanted the auditor to be a neutral party; in other words, the City auditor nor the Board auditor were allowed to perform the audit.

If the Council and Board are comfortable with extending the contract with Crosby & Company, staff will extend that offer to Robert Crosby. If not, staff will need direction to either contact the City's auditor to add that to his contract or issue an RFP.