



SEASIDE COUNTY SANITATION DISTRICT

440 HARCOURT AVENUE SEASIDE, CA 93955

REGULAR MEETING BOARD OF DIRECTORS

Tuesday, February 13, 2024, 9:30 AM
CITY OF SEASIDE CONFERENCE ROOM

BOARD MEMBERS

Jerry Blackwelder
Chair

City of Sand City **1.**
1 Pendergrass Way
Sand City, CA 93955
(831) 394-3054 **2.**

John Uy
First Vice Chair
City of Del Rey Oaks
650 Canyon Del Rey
Del Rey Oaks, CA 93940
(831) 394-8511

Ian N. Oglesby **3.**
Second Vice Chair
City of Seaside
440 Harcourt Ave
Seaside, CA 93955
(831) 899-6825

DISTRICT STAFF

Jaime M. Fontes
District Manager
440 Harcourt Avenue
Seaside, CA 93955
(831) 899-6701

Nisha Patel
District Engineer
440 Harcourt Avenue
Seaside, CA 93955
(831) 899-6884

Reed W. Gallogly **6.**
Legal Counsel
County Counsel
168 West Alisal Street
Third Floor
Salinas, CA 93901
(831) 755-5266

Dominique L. Davis
District Clerk
440 Harcourt Avenue
Seaside, CA 93955
(831) 899-6707

CALL TO ORDER

ROLL CALL - SANITATION DISTRICT BOARD OF DIRECTORS

Jerry Blackwelder
John Uy
Ian N. Oglesby

Chair
First Vice Chair
Second Vice Chair

REVIEW OF AGENDA

If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).

PUBLIC COMMENT

Members of the public wishing to address the Seaside County Sanitation District on matters within the jurisdiction of the Board, but not on this agenda, may do so during Public Comment period for up to two minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

PRESENTATIONS

A. RECEIVE A PRESENTATION ON THE TAX ROLL IMPLEMENTATION PLAN FROM MONTEREY ONE WATER

CONSENT AGENDA

A. APPROVE MINUTES FROM JANUARY 9, 2024 REGULAR MEETING; JANUARY 23, 2024 SPECIAL MEETING AND FEBRUARY 2, 2024 SPECIAL MEETING

B. RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR JANUARY 2024

PURPOSE: Receive Seaside County Sanitation District Operations Report for January 2024.

RECOMMENDATION: Accept reports. This item is presented for information only.

C. ACCEPT AND FILE THE FISCAL YEAR ENDING JUNE 30, 2023 ANNUAL FINANCIAL REPORT FOR THE SEASIDE COUNTY SANITATION DISTRICT

RECOMMENDATION: Receive and accept the June 30, 2023 Annual Financial Report for the Seaside County Sanitation District.

D. APPROVE A RESOLUTION AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH MONTEREY ONE WATER FOR PARTICIPATION IN THE ANNUAL FOG PUBLIC EDUCATION PROGRAM FOR FISCAL YEAR 2023-2024

PURPOSE: The purpose of this item is to have the District Board consider continuing its participation in the FOG Public Education Program for the Southern Monterey Bay Dischargers Group administered by the Monterey One Water (formerly Monterey Regional Water Pollution Control District) for the Fiscal Year 2023-2024.

RECOMMENDATION: Adopt a resolution authorizing the District Manager to sign a Memorandum of Understanding with Monterey One Water for participation in the Annual FOG Public Education Program for Fiscal Year 2023-2024.

7. NEW BUSINESS

8. STAFF REPORTS

Staff reports include items for which verbal reports/presentations will be provided. If a specific Seaside County Sanitation District presentation is planned, it will be listed and information included with the Agenda. Brief oral reports may be provided for items arising after the Agenda was prepared. The Board may wish to ask questions or discuss a staff report, but no action is appropriate other than referral to staff, or request that a matter be set as a future Agenda item.

9. BOARD MEMBERS COMMENTS

10. ADJOURNMENT

Next Regularly Scheduled Meeting:

March 12, 2024

9:30 a.m.

In compliance with the Americans with Disabilities Act (ADA), the Seaside County
Sanitation

District (SCSD) does not discriminate against persons with disabilities. Any person with a disability who requires a modification or accommodation to be able to participate in this meeting is asked to contact the office of the District Clerk at cityclerk@ci.seaside.ca.us

831-899-6707, no fewer than two business days

prior to the meeting to allow for reasonable arrangements. This agenda is posted in compliance with Pursuant to Governor Newsom's Executive Orders [N-29-20](#) and [N-33-20](#)

Agenda related writings or documents provided to the Board are available for public inspection

during the meeting or may be requested from the office of the District Clerk.

COOPERATIVE WATER SOLUTIONS

FOR A SAFE, RESILIENT COMMUNITY



Agenda

1. Tax Roll Implementation Plan

2. MIW Support

3. Collection Agreement

4. Next Steps



Monterey One Water
Providing Cooperative Water Solutions

Health & Safety Code

MIW can collect wastewater fees on the property tax roll pursuant to Health and Safety Code (HSC) Section 5473 *et seq*

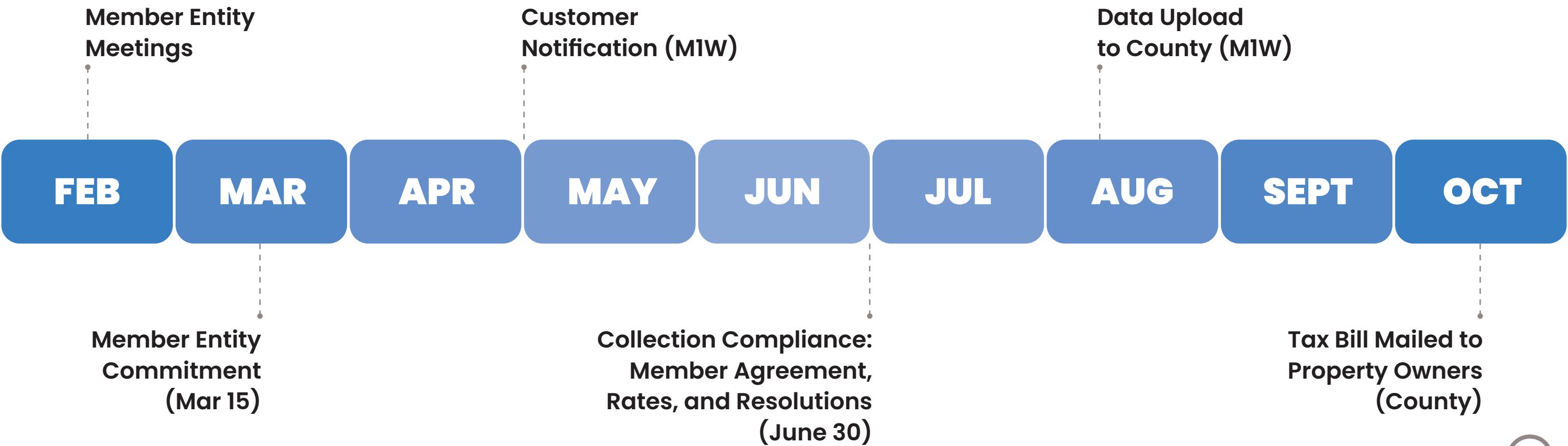
- 

ADOPT WASTEWATER FEES
Pursuant to HSC Section 5471
Requires 2/3 approval of governing body
- 

ADOPT RESOLUTIONS TO COLLECT FEE ON TAX ROLL
Pursuant to HSC Sections 5473 – 5473.11
Requires 2/3 approval of governing body

Implementation Schedule

2024



Implementation Steps

		Schedule	MIW	Member Entity/ MIW Support
1	Member entity commitment (letter of confirmation from Mayor/City Manager)	March		x
2	MIW to enter into collection agreement with County	April	x	
3	Prepare annual rate report	April	x	
4	Prepare and mail notice of rate report, public hearing, and vote to all property owners (min 45 days before public hearing)*	April-May	x	MIW to prepare/mail on behalf of member
5	Publish a notice of public hearing in the newspaper once a week for two successive weeks	May-June	x	MIW to place notice for member or provide template
6	Agendized public hearing at board/city council meeting	June	x	MIW to provide staff report template
7	Adopt collection agreement between MIW and member entity	June	x	MIW to draft with member feedback
8	Adopt resolutions/ordinances approving rate report for FY and electing to collect the respective wastewater fees on the property tax roll (2/3 vote)	June	x	MIW to provide resolution templates
9	Member to submit signed, adopted resolutions to MIW	July		x
10	MIW to submit adopted resolutions to County	July	x	
11	Upload data files for wastewater fees to the County	August	x	

**Only required in year 1, not subsequent years*

Collection Agreement

Partnership: Mutual Protection and Value

IDEMNITY

Alignment with County agreement

REMITTANCE

M1W accountability to Member Entity

BUILDING PERMITS

M1W/Member Entity coordination for accurate building

ANNUAL TIMELINE

Dates for compliance with Proposition 218 and HSC

Next Steps



**Staff
Feedback**



**Current & Future
Rate Plans**



**Member
Commitment**

Thank You

Fred Marsh

Chief Financial Officer

fred@mylwater.org

Mike McCullough

Director of External Affairs

mikem@mylwater.org

Lindsay Synsteby

Customer Service Supervisor

lindsay@mylwater.org

Rachel Gaudoin

Communication Services

rachel@mylwater.org



DRAFT MINUTES
SEASIDE COUNTY SANITATION DISTRICT
Tuesday, January 9, 2024 9:30 AM
MEETING
Seaside Conference Room

1. CALL TO ORDER

Chair Oglesby called the meeting to order at 9:30 a.m.

2. ROLL CALL - SANITATION DISTRICT

Present: Blackwelder, Oglesby, Uy

Absent: None

3. REVIEW OF AGENDA

None

4. PUBLIC COMMENT

None

5. CONSENT AGENDA

On motion by First Vice Chair Blackwelder and seconded by Second Vice Chair Uy and passed by the following vote, the Seaside County Sanitation District Board moved to approve the Consent Agenda as presented.

RESULT: Approved

AYES: Ian N. Oglesby, John Uy

NOES: None

A. APPROVE MINUTES FROM DECEMBER 5, 2023, SPECIAL MEETING

Action: **Approved**

B. RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR NOVEMBER AND DECEMBER 2023.

Action: **Received**

C. APPROVAL OF NOVEMBER AND DECEMBER 2023 EXPENDITURE REPORT FOR SEASIDE COUNTY SANITATION DISTRICT AND APPROVE A DRAWDOWN REQUEST OF \$272,446.08

Action: **Approved**

6. NEW BUSINESS

A. ELECTION OF OFFICERS 2024

The board voted unanimously to rotate seats.

Jerry Blackwelder, Chair

John Uy, First Vice Chair
Ian N. Oglesby, Second Vice Chair

7. STAFF REPORTS

Staff will bring back the South Tioga project to the February 13, 2024 meeting.
There was a Sutter Street update by Patrick Grogan.

8. BOARD MEMBERS COMMENTS

None

9. ADJOURNMENT

On motion, the meeting was adjourned at 9:38 a.m.

Respectfully Submitted,

Dominique L. Davis, District Clerk

Ian N. Oglesby, Chair



DRAFT MINUTES
SEASIDE COUNTY SANITATION DISTRICT
Tuesday, January 23, 2024 12:00 PM
SPECIAL MEETING
Seaside Conference Room

1. CALL TO ORDER

Chair Blackwelder called the meeting to order at 12:02 p.m.

2. ROLL CALL - SANITATION DISTRICT

Present: Blackwelder, Oglesby, Uy

Absent: None

3. REVIEW OF AGENDA

None

4. PUBLIC COMMENT

None

5. NEW BUSINESS

A. DISCUSSION AND POSSIBLE AUTHORIZATION AND DIRECTION TO THE DISTRICT MANAGER TO ENTER INTO DRAFT ESCROW AGREEMENT UNDER WHICH EKN DEVELOPMENT WILL PAY THE ENTIRE AMOUNT OF REQUESTED SEWER FEES WHILE THE DISPUTED AMOUNT OF THOSE FEES ARE HELD IN ESCROW BY MONTEREY ONE WATER UNTIL THE BOARD RESOLVES THE APPEAL ON THE AMOUNT OF THE FEES.

Chair Blackwelder opened the discussion on the item and provided the purpose for the request to authorize and direct the District Manager to enter into a draft escrow agreement with EKN development.

District Member Uy inquired about the potential of legal fees for escrow, and the reason for the urgency to discuss the matter at a special meeting instead of the next regular meeting. District Chair Blackwelder responded, and informed the Board that the site was ready for "DBO" to pass to developer, and that the construction schedule was aggressive.

District Member Oglesby asked staff to confirm the amount owed by developer to the District; and District Engineer Nisha Patel confirmed that owed amount is \$911,172, with a disputed amount of \$162,096. The escrow agreement included in the agenda packet, states the developer will pay \$749,076 to the District directly, and the amount in dispute (\$162,096) will be placed in an escrow account.

Chair Blackwelder opened the floor to public comment.

PUBLIC COMMENT: Vibeke Norgaard, City Manager of Sand City, expressed frustration with the lack of teleconferencing, provided comments regarding the project, its importance to Sand City, and indicated that further delay would hold up the project. Ms. Noorgaard opined the agreement is straightforward, and allows the City of Sand City to issue a permit to developer. Furthermore, Ms. Noorgaard indicated that retaining the disputed amount of \$162,096 in escrow with Monterey One Water would safeguard both the developer and the District.

District Counsel Gallogly responded to the comments regarding the agenda noticing and rules of teleconferencing pursuant to AB 2449; and reminded the Board and informed the public that the option to utilize teleconferencing is no longer a practice of the District, and that the meeting is open to the public and participation is made available in person. District Counsel Gallogly also stated that it was inaccurate to say the Board would review the fee calculation at its February 13, 2024 meeting, as the Board has already concluded its calculation of the fee and provided the amount to the developer.

Greg Hawthorne, Sand City Council Member, provided comments and stated an amount has not been approved by Board, but the developer has agreed to pay the amount by placing it in an escrow account with Monterey One Water.

Michael Grove, President/Senior Principal at EMC Planning Group, provided comments that he has worked over 20 years on this project, and it could not wait until February; and in order to expedite the process, an agreement was drafted. Mr. Groves suggested that there is some money that is at stake beyond the Sanitation District, and team work among the cities is key to move the agreement forward.

No other members of the public came forward to make comments. The public comment period was closed.

District Counsel Gallogly clarified comments regarding the action that could take place at the next meeting on February 13, 2024, and recommended that Sand City pay the disputed amount to SCSD.

District Member Oglesby expressed willingness to support if Sand City is willing to pay the disputed amount (\$162,096). If the amount is less, then the district will refund the extra money. Furthermore, the dispute should be between Sand City and the developer, and it is not the

Districts responsibility to make accommodations for the project.

District Member Uy wanted to confirm that staff recommends no action.

District Manager Fontes reported, the staffs concern is centered around the issue of there being no payment prior to the issuance of a permit. Establishing an escrow account is not payment, and it is not in accordance with the Districts ordinances. Also, escrow is a trust and it introduces a different form of payment which will also set a precedence that the District may have to offer to other developers. Staff does not recommend any action, as there are too many uncertainties and unfinished research.

District Counsel Gallogly reiterated that escrow is not a payment under the district's ordinances or the law. In order to accommodate this request appropriately, the ordinance needs to be changed, and risks from legal side on the escrow and fiduciary issues need to be thoroughly reviewed.

Chair Blackwelder reopened the public comment period.

PUBLIC COMMENT: Vibeke Norgaard provided comments that SCSD staff is correct in their statements regarding that no permits can be issued until payment is agreeably secured, and until a certificate of occupancy is issued, the escrow account will remain with Monterey One Water.

Sheri Damon, City of Seaside City Attorney provided comments and informed the Board that City of Seaside had a project, Ascent, in which funds were due to SCSD in order to put in infrastructure (same as EKN), and that the rules should be the rules for everyone which maintains normal process, and normal risk in development.

Greg Hawthorne provided comments that the money [will be] in escrow, and money will be given to , and in the meantime Monterey One Water holds the money.

No other members of the public came forward to make comments. The public comment period was closed.

District Member Uy inquired of the District Counsel as to what are the legal or potential risks? How can [we] meet common ground, and protect the interests of the District? Is there a indemnity release of liability clause or waiver? District Member Uy then read from a piece of paper he had brought with him to the meeting, reading the following

statement in the record, and submitted a hard copy to the District Clerk:

"Release and Waiver Clause:

Whereas, upon the successful resolution of the appeal and the release of the Escrow Amount, the Owner, by entering into this escrow agreement, hereby releases and forever discharges Seaside County Sanitation District, its officers, directors, employees, agents, and representatives (collectively referred to as the "Released Parties") from any and all claims, demands, actions, causes of action, suits, liabilities, costs, expenses, and damages of any nature whatsoever, whether at law or in equity, known or unknown, arising out of or in connection with the determination of the Extended-Stay Capacity Fee and the matters addressed in this escrow agreement.

Owner acknowledges and agrees that the payment and release of the Escrow Amount, as set forth in this agreement, constitute full and final satisfaction of any and all claims or potential claims that Owner may have against the Released Parties related to the Extended-Stay Capacity Fee or any other matter covered by this escrow agreement.

This release and waiver shall be binding upon the Owner and its successors, assigns, developers, and legal representatives."

District Counsel Gallogly responded that an indemnity statement doesn't resolve the issues, and including a waiver does not address the concerns with establishing an escrow account.

District Member Oglesby inquired why is the district overexerting itself if the developer has the money to pay the fee. The District is not slowing down the process by enforcing its procedure for payment of fees.

District Manager Fontes added that if money is there, it would be more appropriate to enter into a refund agreement/schedule. In an effort to eliminate any delays and any uncertainty. Mr. Fontes reported that he spoke to Monterey One Water General Manager, and he was reportedly uncomfortable with an escrow agreement and indicated that in the five years he has been there he hasn't received fees paid in an escrow agreement. Mr. Fontes recommended that the developer pay upfront and the District should agree to an expedited reimbursement process to applicant, as soon as check clears permits can be issued because escrow creates complications for the District.

Chair Blackwelder stated that the final decision was that of the District Board.

District Member Oglesby stated that he does not support and he believes that any action on the item would put the district in legal bind.

District Counsel Gallogly further responded to District Member Uy proposal of an escrow agreement with additional verbiage, and strongly recommended not to take action due to the numerous legal liability and risks.

Chair Blackwelder ask for a motion from the Board.

On motion by District Member Uy and seconded by District Member Blackwelder, and carried by the following vote, the Seaside County Sanitation District moved to authorize and direct the District Manager to enter into draft escrow agreement under which EKN Development will pay the entire amount of requested sewer fees (\$911,172) while the disputed amount of those fees (\$162,096) are held in escrow by Monterey One Water until the board resolves the appeal on the amount of the fees, with the additional release and waiver clause.

Chair Blackwelder opened public comment on the motion.

PUBLIC COMMENT: Sheri Damon provided comments about the potential issues with motion, and the lack of legal review. The City of Seaside is putting it on record that it has issues with establishing an escrow agreement, timing of payment, parties and other issues, issue with this meeting scheduling timeline, and for members of the public to adequately participate, possible conflict of interests of board members, and the fact that legal counsel is objecting to the process; the District rules do not allow for escrowed payment.

Vibeke Norgaard highlighted that the joint escrow was included in the agenda packet, that the timing issues are cleared, and that the District Counsel had the documents ahead of time. Ms. Norgaard also shared that she had a different conversation with Monterey One Water General Manager than the City of Seaside.

No other members of the public came forward to make comments. The public comment period was closed.

District Member Oglesby provided a substitute motion to take staff's recommendation and not take action on the item. The motion failed due to a lack of a second.

A roll call vote was take on the original motion as follows:

On motion by District Member Uy and seconded by District Member

Blackwelder, and carried by the following vote, the Seaside County Sanitation District moved to authorize and direct the District Manager to enter into draft escrow agreement under which EKN Development will pay the entire amount of requested sewer fees (\$911,172) while the disputed amount of those fees (\$162,096) are held in escrow by Monterey One Water until the board resolves the appeal on the amount of the fees, with the additional release and waiver clause.

RESULT: 2-1-0-0

AYES: BLACKWELDER, UY

NOES: OGLESBY

ABSTAIN: NONE

ABSENT: NONE

ACTION: APPROVED

6. STAFF REPORTS

District Counsel Gallogly advised that there would be a closed session item added at its next meeting.

7. BOARD MEMBERS COMMENTS

None

8. ADJOURNMENT

With no further business, the meeting adjourned at 1:09 p.m.

Respectfully Submitted,

Dominique L. Davis, District Clerk

Jerry Blackwelder, Chair



DRAFT MINUTES
SEASIDE COUNTY SANITATION DISTRICT
Friday, February 2, 2024 10:30 AM
SPECIAL MEETING
Seaside Conference Room

1. CALL TO ORDER

Chair Blackwelder called the meeting to order at 10:30 a.m.

2. ROLL CALL - SANITATION DISTRICT

PRESENT: BLACKWELDER, OGLESBY, UY

ABSENT: NONE

3. REVIEW OF AGENDA

No changes.

4. PUBLIC COMMENT

Vibeke Norgaard, Sheri Damon

Ms. Norgaard requested the Chair to allow her additional public comment in response to comments from Seaside City Attorney Sheri Damon.

District Counsel Reed Gallogly reminded the Board that a vote is required to allow for the exception to the rules of public comment.

On motion by Chair Blackwelder and second by First Vice Chair Uy, and carried by the following vote, the Seaside County Sanitation District moved to allow repeat public comment from Sand City – City Manager Vibeke Norgaard.

RESULT: 3-0-0-0

AYES: BLACKWELDER, OGLESBY, UY

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

District Manager Jaime Fontes, provided comments to the Board to reaffirm his position that escrow payment cannot be made in lieu of a cash payment and that it would be an ultra vires act to sign the agreement.

A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph subdivision (d) of Section 54956.9: (1 potential case)

Chair Blackwelder read the closed session items. There were no comments from

the public.

Upon return from closed session, District Counsel Reed Gallogly did not have any action to report.

6. STAFF REPORTS

None

7. BOARD MEMBERS COMMENTS

None

8. ADJOURNMENT

With no further business, the meeting adjourned at 11:52 p.m.

Respectfully Submitted,

Dominique L. Davis, District Clerk

Jerry Blackwelder, Chair



**SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT**

Item No.: 6.B.

TO: Seaside County Sanitation District

FROM: Jaime M. Fontes, District Manager

BY: Nisha Patel, Public Works Director/City Engineer
Billy Thomas, Junior Engineer

DATE: February 13, 2024

**SUBJECT: RECEIVE SEASIDE COUNTY SANITATION DISTRICT
OPERATIONS REPORT FOR JANUARY 2024**

PURPOSE

Receive Seaside County Sanitation District Operations Report for January 2024.

RECOMMENDATION

Accept reports. This item is presented for information only.

BACKGROUND

Attached is the Seaside County Sanitation District Operations Report and Flush Map for January 2024.

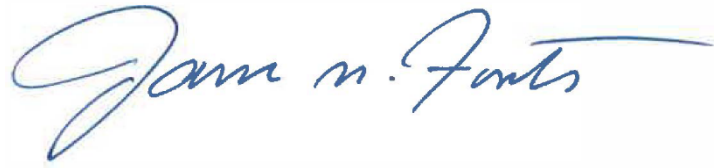
FISCAL IMPACT

There is no fiscal impact associated with this item.

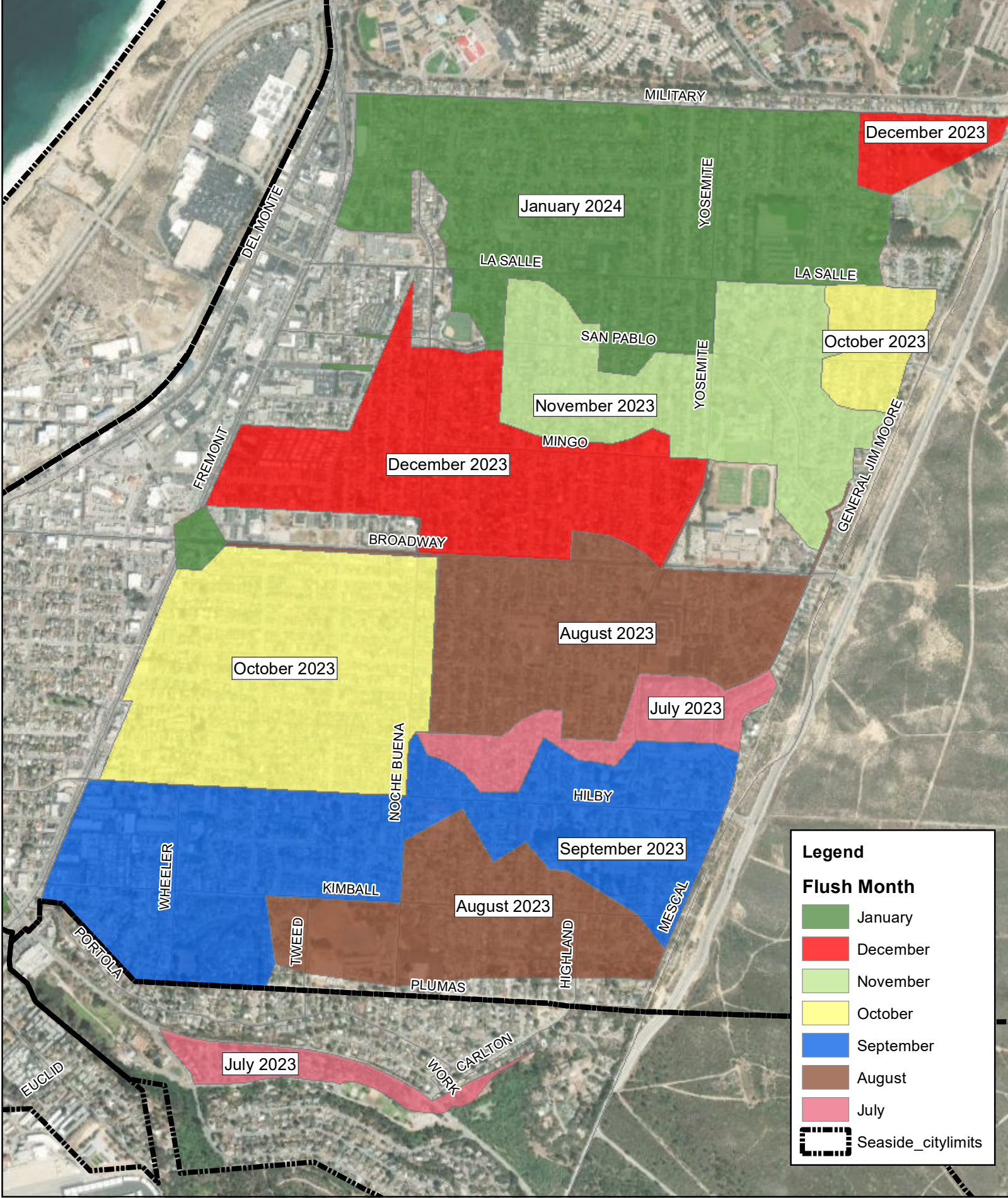
ATTACHMENTS

1. Flush Map_January_23-24
 2. Monthly Sanitation Report January_23-24
-

Reviewed for Submission to the
Board by:

A handwritten signature in blue ink that reads "Jaime M. Fontes". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

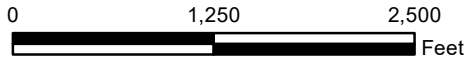
Jaime M. Fontes, District Manager



Legend

Flush Month

- January
- December
- November
- October
- September
- August
- July
- Seaside_citylimits



Source: SCSD, AMBAG

SEASIDE COUNTY SANITATION DISTRICT

Flush Map: 2023-2024

Seaside County Sanitation District Operations Report

Fiscal Year 2023/2024 Month of January

	Del Rey Oaks (42,240)		Sand City (26,400)		Seaside (316,800)		District Totals (385,440 ft.)	
	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Maintenance								
Mainline Rodded	0	0	0	0	0	0	0	0
Main Line Jetted	0	6,026	0	406	49,223	244,868	49,223	251,300
Main Line Video	0	0	0	0	1,167	12,025	1,167	13,725
Main Lines Treated for Grease Controll (Jet Power II)	262	2,361	277	1,662	6,410	39,859	6,949	43,882
Mainline Root Treatment	0	0	0	0	0	0	0	0
Stoppages & Overflows								
Main Line	0	0	0	1	0	5	0	6
Laterals	0	0	0	0	1	5	1	5
SSO's	0	0	0	0	0	4	0	4

Sewer Repairs

None

Sewer Video (Outside of regular maintenance work)

None

Stoppage Locations

Del Rey Oaks

None

Sand City

None

Seaside

1250 Mescal St - L

Overflow/SSO Locations

Del Rey Oaks

None

Sand City

None

Seaside

None



**SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT**

Item No.: 6.C.

TO: Seaside County Sanitation District

FROM: Jaime M. Fontes, District Manager

BY: Jessica Riley, Assistant Finance Director

DATE: February 13, 2024

**SUBJECT: ACCEPT AND FILE THE FISCAL YEAR ENDING JUNE 30, 2023
ANNUAL FINANCIAL REPORT FOR THE SEASIDE COUNTY
SANITATION DISTRICT**

PURPOSE

RECOMMENDATION

Receive and accept the June 30, 2023 Annual Financial Report for the Seaside County Sanitation District.

BACKGROUND

The Seaside County Sanitation District's Annual Financial Report for the year ending June 30, 2023 is complete and audited. The auditors have given the City a clean opinion on the financial statements.

A copy of the District's report is attached to this agenda item.

The firm of Maze and Associates, from Pleasant Hill, California performed the District's audit for the year ending June 20, 2023.

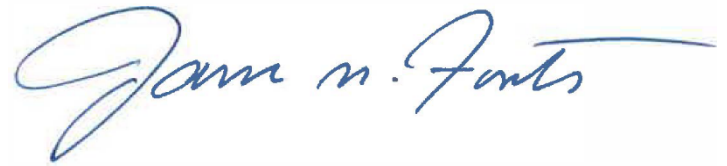
FISCAL IMPACT

The cost of the annual audit is included in the annual budget.

ATTACHMENTS

1. Seaside SCSD Required Comm FY2023 Final
-

Reviewed for Submission to the
Board by:

A handwritten signature in blue ink that reads "Jaime M. Fontes". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Jaime M. Fontes, District Manager

SEASIDE COUNTY SANITATION DISTRICT
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2023

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SEASIDE COUNTY SANITATION DISTRICT

REQUIRED COMMUNICATIONS

For the Year Ended June 30, 2023

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REQUIRED COMMUNICATIONS

Board of Directors
Seaside County Sanitation District
Seaside, California

We have audited the basic financial statements of the Seaside County Sanitation District (SCSD) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SCSD are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as follows:

- GASB 91 – *Conduit Debt Obligations***
- GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***
- GASB 96 – *Subscription-Based Information Technology Arrangements***
- GASB 99 – *Omnibus 2022, paragraphs 11-25***

The pronouncements above did not have a material effect on the financial statements.

Unusual Transactions, Controversial or Emerging Areas - We noted no transactions entered into by SCSD during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting SCSD's financial statements were:

- *Estimated Fair Value of Investments:* As of June 30, 2023, SCSD held approximately \$2.69 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2023. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2023.

- *Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1E to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures - The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on SCSD's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Commission.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated December 1, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to SCSD's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SCSD's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

This information is intended solely for the use of the Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
December 1, 2023

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**SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT**

Item No.: 6.D.

TO: Seaside County Sanitation District

FROM: Jaime M. Fontes, District Manager

BY: Nisha Patel, Public Works Director/City Engineer
Kirstin van Gend, Administrative Analyst II

DATE: February 13, 2024

SUBJECT: APPROVE A RESOLUTION AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH MONTEREY ONE WATER FOR PARTICIPATION IN THE ANNUAL FOG PUBLIC EDUCATION PROGRAM FOR FISCAL YEAR 2023-2024

PURPOSE

The purpose of this item is to have the District Board consider continuing its participation in the FOG Public Education Program for the Southern Monterey Bay Dischargers Group administered by the Monterey One Water (formerly Monterey Regional Water Pollution Control District) for the Fiscal Year 2023-2024.

RECOMMENDATION

Adopt a resolution authorizing the District Manager to sign a Memorandum of Understanding with Monterey One Water for participation in the Annual FOG Public Education Program for Fiscal Year 2023-2024.

BACKGROUND

On May 2, 2006, the Seaside County Sanitation District (the District) was issued Water Quality Order No. 2006-0003-DWQ from the State Water Resources Control Board. This order adopted statewide general waste discharge requirements for sanitary sewer systems. In 2008, the monitoring and reporting program (MRP) portion of this Order was revised as Order No. 2008-0002-EXEC. Water Quality Orders No. 2006-0003-DWQ and 2008-0002-EXEC are referred to as the Sanitary Sewer System Waste Discharge Requirements (SSS WDRs or WDRs). Water Quality Order No. 2022-0103-DWQ was

adopted by the State Water Resources Control Board on December 6, 2022, and was effective June 5, 2023. Water Quality Order No. 2022-0103-DWQ supersedes Water Quality Order No. 2006-0003-DWQ and amendments thereafter.

The purpose of the WDRs is to set specific sewer collection system operation and maintenance requirements, regulate the collection systems, and uphold State water quality standards. Section 7. of Water Quality Order No. 2022-0103-DWQ states that "The Sewer System Management Plan must include procedures for the evaluation of the Enrollee's service area to determine whether a sewer pipe blockage control program is needed to control fats, oils, grease, rags and debris....The procedures must include, at a minimum: An implementation plan and schedule for a public education and outreach program that promotes proper disposal of pipe-blocking substances;"

In order to comply with the latest WDR, the District developed a Sewer System Management Plan (SSMP), which includes a FOG Control Program (also known as the Grease Program). The two main elements of the Grease Program implemented by the District are the Public Education Outreach Program and the requirement to install grease removal devices at food serving establishments.

Public Education Program:

The District is a part of the Southern Monterey Bay Dischargers Group administered under contract by Monterey One Water. The group's goal is to facilitate WDR compliance for all Monterey One Water member entities. The Southern Monterey Bay Dischargers Group consists of the cities of Pacific Grove, Monterey, Salinas, Carmel Area Wastewater District, Castroville Community Services District, Marina Coast Water District, Pebble Beach Community Services District, California American Water and the Seaside County Sanitation District.

As in previous years, Monterey One Water has offered their assistance with the implementation of a FOG Public Education Outreach Program (the Program). The Program promotes the proper disposal of FOG by educating the public. The proposed program consists of media advertising including print, digital, radio and social media. The Fiscal Year 2023-2024 Fats, Oil, and Grease (FOG) Public Outreach Plan, Attachment A of the MOU, outlines the type of media outlets and the number of advertisements over the course of the year.

In the past, the District supplements the Program with its own public education outreach events. The District staffs a booth at various community functions to educate the public on the dangers of disposing FOG down the drain. Grease scrappers and refrigerator magnets are given to the public alerting them to the dangers and consequences of grease in the sewer system. District personnel also advise the public how to properly dispose of unwanted grease.

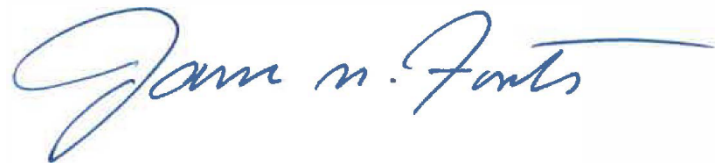
FISCAL IMPACT

To increase the cost-effectiveness of the FOG Public Education Outreach Program, all costs are shared based upon the population served by the member agencies. For the upcoming Program, the cost would be divided based on 2021 Census information and the total number of entities electing to continue participation. For fiscal year 2023-2024, the Program cost is not to exceed \$19,850 and the District's cost-share is \$2,035.68, see Attachment B of the MOU.

ATTACHMENTS

1. Resolution
 2. Memorandum of Understanding FY 23/24
-

Reviewed for Submission to the
Board by:

A handwritten signature in blue ink, reading "Jaime M. Fontes", with a long horizontal flourish extending to the right.

Jaime M. Fontes, District Manager

RESOLUTION NO. 24-___

RESOLUTION OF THE SEASIDE COUNTY SANITATION DISTRICT

**AUTHORIZING THE DISTRICT MANAGER TO EXECUTE A
MEMORANDUM OF UNDERSTANDING WITH MONTEREY ONE WATER
FOR COST SHARE PARTICIPATION IN THE AMOUNT OF \$2,035.66 FOR
THE FATS, OILS & GREASE PUBLIC EDUCATION PROGRAM FOR FISCAL
YEAR 2023-2024**

WHEREAS, the California Regional Water Quality Control Board issued a Waste Discharge Requirement (WDR) Order Numbers 2006-0003-DWQ and 2008-0002-EXEC; and

WHEREAS, Water Quality Order No. 2022-0103-DWQ was adopted by the State Water Resources Control Board on December 6, 2022, and was effective June 5, 2023; and

WHEREAS, Water Quality Order No. 2022-0103-DWQ supersedes Water Quality Order No. 2006-0003-DWQ and amendments thereafter; and

WHEREAS, the purpose of the WDRs is to set specific sewer collection system operation and maintenance requirements, regulate the collection systems, and uphold State water quality standards; and

WHEREAS, Section 7. of Water Quality Order No. 2022-0103-DWQ states that "The Sewer System Management Plan must include procedures for the evaluation of the Enrollee's service area to determine whether a sewer pipe blockage control program is needed to control fats, oils, grease, rags and debris....The procedures must include, at a minimum: An implementation plan and schedule for a public education and outreach program that promotes proper disposal of pipe-blocking substances;"; and

WHEREAS, Monterey One Water (formerly Monterey Regional Water Pollution Control Agency) has led a steering committee, called Southern Monterey Bay Dischargers Group, for all entities tributary to the Regional Plant to facilitate compliance by each permittee; and

WHEREAS, one of the requirements of the WRD is to conduct a Public Education Program to promote the proper disposal of grease and fats; and

WHEREAS, this program will be cost-shared among the groups entering into a Memorandum of Understanding with Monterey One Water; and

WHEREAS, this cost has been broken down by each entities population based on 2021 Census data; and

WHEREAS, the Seaside County Sanitation District portion of this program is \$2,035.68.

NOW THEREFORE, BE IT RESOLVED that the Seaside County Sanitation District's Board of Directors authorize the District Manager to execute the Memorandum

of Understanding with Monterey One Water to participate in the Public Education Program for fiscal year 2023-2024.

PASSED AND ADOPTED at a regular meeting of the Seaside County Sanitation District duly held this 13th day of February 2024 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jerry Blackwelder, Chair

ATTEST:

Dominique Davis, District Clerk



Monterey One Water

Providing Cooperative Water Solutions

ADMINISTRATIVE OFFICE: 5 Harris Court, Bldg D, Monterey, CA 93940-5756

MAIN: (831) 372-3367 or (831) 422-1001

FAX: (831) 372-6178

WEBSITE: www.montereyonewater.org

December 19, 2023

Jamie M. Fontes, District Manager
Seaside County Sanitation District
440 Harcourt Avenue
Seaside, CA 93955

SUBJECT: Memorandum of Understanding for Conducting Annual FOG Education Program

Dear Jamie,

Enclosed is a copy of the Memorandum of Understanding (MOU) for "Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group." Please execute and return a signed copy to Monterey One Water via:

Email: sabrina@my1water.org

-OR-

Mail: Monterey One Water
Attn: Sabrina San Nicolas
5 Harris Ct, Bldg D
Monterey, CA 93940

This regional education program promotes the proper disposal of fats, oils, and grease in addition to helping members meet their issued Waste Discharge Requirements (WDR) by the California Regional Water Quality Board. Upon completion of the campaign (end of fiscal year), you will receive an invoice for your entity's portion of the program – as described in Attachment B – and a detailed report on the program's community reach.

If you have any questions or need additional information, please contact our Community Relations Department at 831-645-4623 or rachel@my1water.org.

Sincerely,

Paul A. Sciuto
General Manager

Enclosures:

- (1) MOU
- (2) Attachment A – Program Outline
- (3) Attachment B – Partnership Distribution and Budget

MEMORANDUM OF UNDERSTANDING
for
Conducting a Public Education Program
for the
Southern Monterey Bay Dischargers Group

THIS MEMORANDUM OF UNDERSTANDING is made and entered into on _____, 202__, between **MONTEREY ONE WATER** (the "Agency") and **SEASIDE COUNTY SANITATION DISTRICT** (the Discharger"), as follows:

Recitals

1. The Discharger has been issued Waste Discharge Requirements (WDR) by the California Regional Water Quality Control Board. One WDR requirement is for the Discharger to conduct a public education program promoting the proper disposal of fats, oils, and grease (FOG).
2. The Agency has the staff and resources to conduct a public education program as described in Attachment A to this Agreement.
3. The Discharger desires to have the Agency conduct this public education program.

Terms and Conditions

In consideration of the mutual promises contained herein, the Agency and the Discharger hereby agree to the following terms and conditions:

1. Over fiscal year 2023-2024 and on behalf of the Southern Monterey Bay Dischargers Group, the Agency will conduct the public education program described in Attachment A.
2. The Discharger will compensate the Agency its portion of costs for conducting this public education program as broken down in Attachment B.
3. The Agency will invoice the Discharger for its share of the final costs, not to exceed the amount in Attachment B, and the Discharger will pay the Agency this amount within ninety (90) days of receipt of the invoice.

MONTEREY ONE WATER

SEASIDE COUNTY SANITATION DISTRICT

By _____
Signature

Paul A. Sciuto, General Manager
Name/Title

By _____
Signature

Jamie M. Fontes, District Manager
Name/Title

Attachment A

WDR FOG Public Education Program Outline FY 2023-2024

Program Goals

- Educate our communities on the proper disposal of fats, oils, and grease through advertising and public resources
- Help members meet the issued Waste Discharge Requirements (WDR) by the California Regional Water Quality Board

Program Timeframe

July 2023 – June 2024

Sample Media Types

- Print
- Digital
- Radio
- Social Media

Digital copies of all advertisements will be provided to entities to continue using beyond this campaign

Costs

Total advertising across all media not to exceed \$18,000



Attachment B

Southern Monterey Bay Dischargers FOG Outreach Partnership Distribution and Budget FY 2023-2024

Shared Budget for FY 2023-2024 Not to Exceed \$19,850			
Entity	Population within area to be covered by regional WDR program ¹	% of budget to be paid	Contribution not to exceed
California American Water ²	6,400	2%	\$380.02
Carmel Area Wastewater District*	4,000	1%	\$237.51
Castroville Community Services District ³	8,129	3%	\$482.69
City of Monterey	30,218	10%	\$1,794.31
City of Pacific Grove	15,090	5%	\$896.02
City of Salinas	163,542	54%	\$9,710.91
County of Monterey/Boronda	1,710	1%	\$101.54
Marina Coast Water District ⁴	35,258	12%	\$2,093.57
Pebble Beach Community Services District*	4,509	1%	\$267.74
Seaside County Sanitation District ⁵	34,283	11%	\$2,035.68
Sub Total	303,139	100%	\$18,000
ReGen Monterey Sponsorship	--	--	\$1,850
TOTAL	--	--	\$19,850

** CAWD and PBCSD contributions will increase no more than \$693.00 each for additional outreach in the Carmel Pine Cone during the month of December 2023*

Notes

1. Source: U.S. Census Bureau, 2021 Census of Population
2. Combined data for Oak Hills, Indian Springs, Las Palmas, Spreckels, Pasadera, White Oaks, Village Green, Carmel Valley Ranch provide by Cal Am
3. Combined data for Castroville, Moss Landing, and, provided by CCSD, the Moro Cojo area population
4. Combined data for Marina and, provided by MCWD, the Ord Community
5. Combined data for Seaside, Sand City, and Del Rey Oaks