SEASIDE COUNTY SANITATION DISTRICT

440 HARCOURT AVE * SEASIDE, CA 93955
Telephone (831) 899-6825

BOARD MEMBER

Ralph Rubio
Chair
City of Seaside
440 Harcourt Ave
Seaside, CA 93955
(831) 899-6825

David Pendergrass
First Vice Chair
City of Sand City
1 Sylvan Park
Sand City, CA 9395
(831) 394-3054

Pat Lintell
Second Vice Chair
City of Del Rey Oaks
650 Canyon Del Rey
Del Rey Oaks, CA
93940
(831) 394-8511

DISTRICT STAFF

Craig Malin
District Manager
440 Harcourt Avenue
Seaside, CA 93955
(831)899-6203

Diana Ingersoll
District Engineer
440 Harcourt Avenue
Seaside, CA 93955
(831) 899-6825

Jesse Avila
Legal Counsel
County Counsel
168 West Alisal Stree
Third Floor
Salinas, CA 93901
(831) 755-5313

Lesley Milton-Rerig
District Clerk
440 Harcourt Avenue
Seaside, CA 93955
(831) 899-6707

AGENDA
Board of Directors
Tuesday, March 8, 20169:30 AM,
Conference Room
440 Harcourt Ave, Seaside, CA 93955

1. CALL TO ORDER

Ralph Rubio	Chair
David Pendergrass	First Vice Chair
Pat Lintell	Second Vice Chair

2. ROLL CALL

3. ORAL COMMUNICATIONS COMMENTS

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. To be able to properly identify those making comments in the meeting minutes, it would be helpful if speakers state their names. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes.

4. CONSENT AGENDA

A. APPROVAL OF MINUTES FROM THE FEBRUARY 9, 2016 REGULAR MEETING

PURPOSE: To review and approve the minutes from the February 9, 2016 Regular Meeting.

RECOMMENDATION: That the minutes be approved.

B. ACCEPT AND FILE THE JUNE 30, 2015 FINANCIAL AUDIT REPORT OF THE SEASIDE COUNTY SANITATION DISTRICT

PURPOSE: Accept and file the June 30, 2015 Financial Audit Report of the Seaside County Sanitation District.

RECOMMENDATION:
It is recommended that the Board accept and file the report.

C. **APPROVAL OF EXPENDITURES FOR MONTH OF FEBRUARY 2016 FOR SEASIDE COUNTY SANITATION DISTRICT**

PURPOSE: Approval of expenditures for the month of February 29, 2016 for - $82,310.70.

RECOMMENDATION: Approve expenditures for the month of February 29, 2016 Total expenditures -$ 82,310.70.

D. **RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR THE MONTH OF FEBRUARY 2016**

PURPOSE: Receive monthly report for sewer maintenance and mainline stoppages for February 2016.

RECOMMENDATION: Receive and accept report. This item is presented for information only.

5. **NEW BUSINESS**

A. **RESOLUTION APPROVING 2015-2016 MID-YEAR BUDGET REPORT AND 2014-2015 CAPITAL PROJECT CARRYOVERS**

PURPOSE: The purpose of this item is to give the Sanitation District Board an opportunity to review and discuss the status of the District's 2015-2016 Mid-Year Budget and the 2014-2015 capital project carryovers.

RECOMMENDATION: It is recommended that the Sanitation District Board adopt the attached resolution approving the 2015-2016 Mid-Year Budget Report and approving the 2014-2015 capital project carryovers.

B. **RECEIVE REPORT ON THE AUDIT OF THE SEWER SYSTEM MANAGEMENT PLAN**

PURPOSE: The purpose of this item is for the District Board to receive a report on the audit of the Seaside County Sanitation District (SCSD) Sewer System Management Plan (SSMP).

RECOMMENDATION: It is recommended that the Board receive a report on the audit of the SCSD Sewer System Management Plan (SSMP) and direct staff to revise the SSMP in accordance with the recommendations in the audit report.

6. 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.

7. BOARD MEMBERS COMMENTS

8. ADJOURNMENT

Next Regularly Scheduled Meeting:
April 12, 2016
Seaside City Hall
9:30 AM

In compliance with the Americans with Disabilities Act (ADA), the Seaside County Sanitation District (SCSD) does not discriminate against persons with disabilities. SCSD's meetings are held at an accessible facility. 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. Agenda related writings or documents provided to the SCSD Board of Directors are available for public inspection during the meeting or may be requested from the office of the District Clerk This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

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.

FINAL MINUTES
SEASIDE COUNTY SANITATION DISTRICT
Tuesday, February 9, 2016 9:30 AM
REGULAR MEETING
Seaside Conference Room

1. **CALL TO ORDER**

The meeting was called to order at 9:30 am.

2. **ROLL CALL**

PRESENT: Lintell, Pendergrass, Rubio
ABSENT: None

3. **ORAL COMMUNICATIONS COMMENTS**

There were no members of the public present.

4. **CONSENT AGENDA**

On motion by Vice Chair Pendergrass and seconded by Second Vice Chair Lintel and passed by the following vote the board approved the consent calendar as presented.

RESULT:	**Approved**
MOVER:	First Vice Chair David Pendergrass
SECONDER:	Second Vice Chair Pat Lintel
AYES:	Ralph Rubio, David Pendergrass, Pat Lintel
NOES:	No

A. **APPROVAL OF MINUTES FROM JANUARY 12, 2016 SPECIAL MEETING**

Action: Approved

B. **APPROVAL OF EXPENDITURES FOR MONTH OF JANUARY 2016**

Action: Approved

C. **ACCEPT AND FILE SECOND QUARTER ENDING DECEMBER 31, 2015 CASH AND INVESTMENT REPORT FOR SEASIDE COUNTY SANITATION DISTRICT**

Action: Accepted & Filed

D. **SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR THE MONTH OF JANUARY 2016**

Action: Accepted

5. **NEW BUSINESS**

A. **APPROVE A RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH DAVID TAUSSIG & ASSOCIATES TO UPDATE THE SEWER MASTER PLAN AND RATE STUDY**

FOR THE SEASIDE COUNTY SANITATION DISTRICT FOR AN AMOUNT NOT TO EXCEED $58,750

District Engineer Ingersoll spoke to the item explaining the 2011 Sewer Master Plan and reported there was a rate study completed and adopted as a 5 year plan. This item enters into an agreement to update the plan and rate schedule as well as review and update the 6-year Capital Improvement plan. Additionally, she informed the Board it will be necessary to approve a resolution to continue the rates as the rate study will not be completed by June 2016 when the rates expire. Ms. Ingersoll answered questions from the Board.

Board Member Pendergrass questioned why the CIP is moving slowly to which Ms. Ingersoll reported that the design work is being done at this time, and is spaced out on a pay as you go cycle. Mr. Pendergrass spoke against the pay as you go system and spoke in support of consideration of a bond to move forward with needed improvements. She indicated that the debt service and financing plan will be reviewed by the consultant as part of this contract which will address Mr. Pendergrass' concerns.

On motion by Vice Chair Lintel and seconded by Vice Chair Pendergrass and approved by the following vote the District Board approved Resolution 16-01 authorizing execution of a professional services agreement with David Taussig and Associates to update the Sewer Master Plan and rate study.

RESULT:	**Approved**
MOVER:	Second Vice Chair Pat Lintel
SECONDER:	First Vice Chair David Pendergrass
AYES:	Ralph Rubio, David Pendergrass, Pat Lintel
NOES:	None

6. STAFF REPORTS

Ms. Ingersoll reported that MWCD General Manger Van Der Maaten responded to the letter inquiring on the status of the engineering report. She reported that they are requesting a meeting with District staff and the Board requested she coordinate with Chair Rubio, The District Manager and the Engineering Manager to arrange a meeting.

7. BOARD MEMBERS COMMENTS

8. ADJOURNMENT

The meeting was adjourned at 9:40 AM.

Respectfully Submitted,

Lesley E. Milton-Rerig, District Clerk

Ralph Rubio, Chair

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 4.B.

TO:	Seaside County Sanitation District
FROM:	Craig Malin, District Manager
BY:	Daphne Hodgson, Deputy City Manager Administrative Services Rajnesh Narayan, Finance
DATE:	March 8, 2016
SUBJECT:	**APPROVAL OF EXPENDITURES FOR MONTH OF FEBRUARY 2016 FOR SEASIDE COUNTY SANITATION DISTRICT**

PURPOSE

Approval of expenditures for the month of February 29, 2016 for - $82,310.70.

RECOMMENDATION

Approve expenditures for the month of February 29, 2016 Total expenditures -$ 82,310.70.

BACKGROUND

Expenditure reports attached. Cash balance as of February 29, 2016 $5,959,693.63.

FISCAL IMPACT

ATTACHMENTS

1. YTD Expenditures_02-29-2016
2. YTD Expenditures EFT_02-29-2016

Reviewed for Submission By:

____
Craig Malin, District Manager

YTD (15-16) Expenses as of FEBRUARY 2016

Authorized for Payment by the Board of Directors

ACCOUNT NUMBER	DESCRIPTION	TOTAL CHARGES YTD	TOTAL BILLED YTD	TOTAL DUE
951-0-8810-0001	Admin. Salary	48,139.21	42,040.90	6,098.31
951-0-8810-0006	Workers Compensation	1,366.85	1,195.99	170.86
951-0-8810-0010	Management Leave Payoff	528.13	528.13	-
951-0-8810-0012	Vacation	1,047.35	1,047.35	-
951-0-8810-0016	Deferred Compensation	501.11	439.25	61.86
951-0-8810-0020	Part-Time Hourly Wages	4,407.35	3,870.25	537.10
951-0-8810-0030	PERS Pension Ob Bond	614.68	537.85	76.83
951-0-8810-0031	PERS Pension	9,901.30	7,966.49	1,934.81
951-0-8810-0032	PARS Pension	7,319.49	6,485.12	834.37
951-0-8810-0033	LIUNA Pension	14.02	12.06	1.96
951-0-8810-0041	Medical Insurance-Blue Cross	4,127.18	2,675.78	1,451.40
951-0-8810-0051	Dental Ins-Guardian	431.15	218.24	212.91
951-0-8810-0061	Vision Ins-CPIC	37.45	23.12	14.33
951-0-8810-0071	LTD-Met Life	198.99	88.23	110.76
951-0-8810-0081	Reliance Life Insurance	175.24	77.89	97.35
951-0-8810-0092	Medicare Tax	610.80	534.51	76.29
951-0-8810-1022	Legal Services	3,948.71	3,250.71	698.00
951-0-8810-1025	City Audit	6,900.00	6,900.00	-
951-0-8810-1029	Training and Education	2,082.68	2,082.68	-
951-0-8810-1033	Fitness Program	140.68	121.18	19.50
951-0-8810-1041	State Waste Discharge Fee	2,088.00	2,088.00	-
951-0-8810-3092	Stationary Supplies	21.11	21.11	-
951-0-8810-3095	Department Consumables	362.43	362.43	-
951-0-8810-4122	Dues and Memberships	311.00	311.00	-
951-0-8810-5132	Telephone	1,220.88	1,066.50	154.38
951-0-8810-9395	Vehicle Maintenance	43,266.68	37,858.35	5,408.33
951-0-8810-9397	Computer System	8,666.68	7,583.35	1,083.33
951-0-8810-9398	Central Service Charge	194,200.00	169,925.00	24,275.00
951-0-8820-0001	Salaries	76,727.91	66,410.09	10,317.82
951-0-8820-0002	Overtime	5,056.79	4,510.25	546.54
951-0-8820-0006	Workers Compensation	5,310.08	4,646.32	663.76
951-0-8820-0016	Deferred Compensation	441.92	387.56	54.36
951-0-8820-0030	PERS Pension Ob Bond	976.68	854.60	122.08
951-0-8820-0031	PERS Pension	9,886.11	8,066.13	1,819.98
951-0-8820-0033	LIUNA Pension	1,464.03	1,038.55	425.48
951-0-8820-0041	Medical Insurance-Blue Cross	9,118.39	6,073.55	3,044.84
951-0-8820-0051	Dental Ins-Guardian	690.77	375.60	315.17
951-0-8820-0061	Vision Ins-CPIC	100.41	60.15	40.26
951-0-8820-0071	LTD-Met Life	167.29	77.10	90.19
951-0-8820-0081	Reliance Life Insurance	114.71	53.21	61.50
951-0-8820-0092	Medicare Tax	1,112.05	965.98	146.07
951-0-8820-0099	Tuition Reimbursement	217.37	217.37	-
951-0-8820-2049	Uniform Service/ Laundry	1,125.45	1,000.35	125.10
951-0-8820-2052	Radio Repair		-	-
951-0-8820-2053	Outside Printing Services		-	-
951-0-8820-2054	Equipment Repair	7,350.00	-	7,350.00

YTD (15-16) Expenses as of FEBRUARY 2016

Authorized for Payment by the Board of Directors

ACCOUNT NUMBER	DESCRIPTION	TOTAL CHARGES YTD	TOTAL BILLED YTD	TOTAL DUE
951-0-8820-2063	Publishing & Legal Advertising		-	-
951-0-8820-2068	Refuse Disposal	612.04	587.76	24.28
951-0-8820-2073	Subcontracted Work	16,931.82	16,785.31	146.51
951-0-8820-2074	Subcontract - Grease Prog	1,686.24	1,686.24	-
951-0-8820-3095	Department Consumables	9,239.18	9,179.88	59.30
951-0-8820-3097	Safety Equipment	139.08	139.08	-
951-0-8820-3102	Safety Equipment	331.50	-	331.50
951-0-8820-4121	Meetings/Travel	2,300.00	2,000.00	300.00
951-0-8820-4122	Dues and Memberships	-	-	-
951-0-8820-4124	Mail Services	-	-	-
951-0-8820-5131	Gas & Electric	4,864.88	4,256.94	607.94
952-0-8820-8194	Sewer System Mgmt Plan Up	4,401.00	4,401.00	-
952-0-8820-8196	LAFCO Application	8,586.05	7,014.11	1,571.94
952-0-8820-9605	Interest Expense	3,851.23	3,257.89	593.34
952-0-8820-9608	Lease Payments	36,839.89	28,564.83	8,275.06
953-0-8820-9201	Del Monte Lift Station Upgrade	14,142.50	12,182.50	1,960.00
954-0-8810-2090	Insurance	97,207.00	97,207.00	-
City of Seaside Total		**663,621.52**	**581,310.82**	**82,310.70**

951-1009	**69,910.36**
952-1009	**10,440.34**
953-1009	**1,960.00**
954-1009	**-**

Total Expenditures for month of FEBRUARY 2016 **82,310.70**

OTHER EXPENSES

951-1009	0.00
952-1009	0.00
953-1009	
954-1009	

PREPARED BY: RAJNESH NARAYAN
DATE: 3/01/2016

Total Adjusted drawndown from County -SCSD **82,310.70**

COUNTY OF MONTEREY - AUTHORIZATION of ELECTRONIC FUNDS TRANSFER

DEBIT : COUNTY OF MONTEREY
Account Number : Wells Fargo Bank
Account Name : Monterey County Treasurer

CREDIT : **CITY OF SEASIDE PUBLIC INTEREST CHECKING**

Pay to Bank : **RABOBANK**
1658 FREMONT BLVD., SEASIDE, CA 93955

Account No. 9782713643
Routing No. 122238420
Customer Name: CITY OF SEASIDE

Amount : $ **82,310.70**

AUTHORIZED SIGNATURES:
1 ____________________
2 ____________________
3 ____________________

AUDITOR : ENTER AMOUNT AUTHORIZED FOR TRANSFER AND SIGN FORM

TREASURER : PROCESS TRANSFER, ENTER DATE OF TRANSFER, SIGN FORM AND RETURN TO AUDITOR

AUDITOR		**TREASURER**	
Patricia Vasquez			
Deputy Auditor	Date	Deputy Treasurer	Date of Transfer

For Auditor-Controller Office use only

Period ____________ JV Number ____________
Budget Yr. ____________ Date ____________
INSURANCE FUND Total $ 82,310.70

DESCRIPTION	AT	FD	BU	ORG	ACCT	REP CT	DEBIT	CREDIT
Special District Exp.		603			2530			
Cash		603			1001			

Daphne Hodgson, Deputy City Manager / Administrative Services (831) 899-6718; SCSD
Expenses as of February 29 , 2016.

Prepared By: Patricia Vesquez Date:
Approved By:__________________ Date:___________ Keyed By:_____________ Date:___________

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 4.C.

TO:	Seaside County Sanitation District
FROM:	Craig Malin, District Manager
BY:	Diana Ingersoll, Deputy City Manager Resource Management Services
DATE:	March 8, 2016
SUBJECT:	**RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR THE MONTH OF FEBRUARY 2016**

PURPOSE

Receive monthly report for sewer maintenance and mainline stoppages for February 2016.

RECOMMENDATION

Receive and accept report. This item is presented for information only.

BACKGROUND

Attached is the Seaside County Sanitation District Operations Report and Flush Map for the Month of February 2016.

FISCAL IMPACT

There is no fiscal impact associated with this item.

ATTACHMENTS

1. Monthly Sanitation Report
2. Flush Map

Reviewed for Submission By:

____
Craig Malin, District Manager

Seaside County Sanitation District
Operations Report

Year 2016 Month of February

	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
Main Line Flushed	3,619	11,865	2,280	2,280	9,385	244,125	15,284	258,270
Main Line Video		0		0		0	0	0
Main Lines Treated for Grease Controll (Jet Power II)		1,310		770	2,604	17,524	2,604	19,604
Stoppages								0
Main Line		0		0		2	0	2
Laterals		1		0		9	0	10

Sewer Repairs

Sewers Video

None

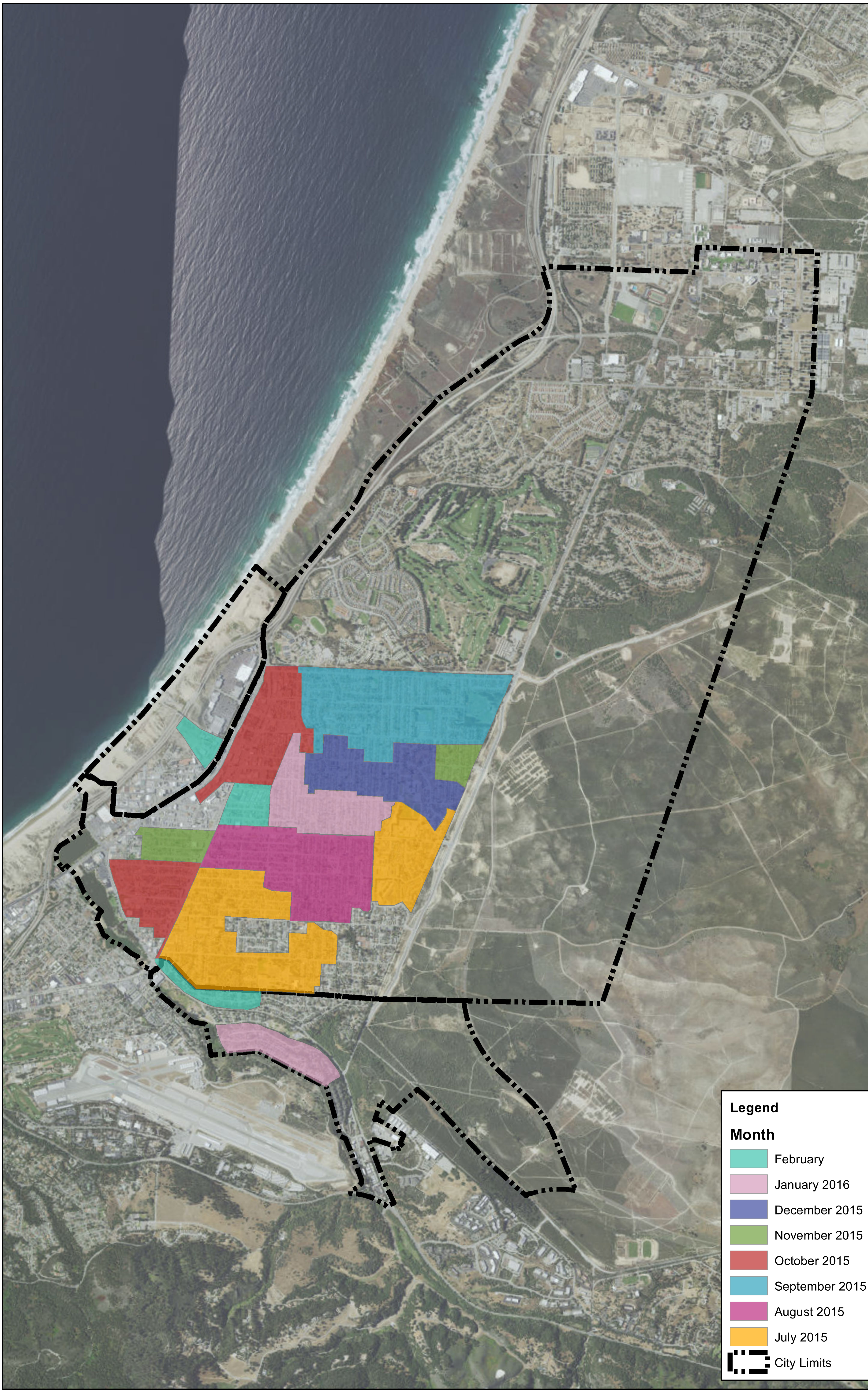
Stoppage Locations

Del Rey Oaks

Sand City

Seaside

1222 Broadway Ave (L SSO)
1595 Ancon St (SSO)



0 1,250 2,500
Feet

Source: SCSD, AMBAG

SEASIDE COUNTY SANITATION DISTRICT

Flush Map

Exhibit

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 4.D.

TO: Seaside County Sanitation District

FROM: Craig Malin, District Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: March 8, 2016

SUBJECT: **ACCEPT AND FILE THE JUNE 30, 2015 FINANCIAL AUDIT REPORT OF THE SEASIDE COUNTY SANITATION DISTRICT**

PURPOSE

Accept and file the June 30, 2015 Financial Audit Report of the Seaside County Sanitation District.

RECOMMENDATION

It is recommended that the Board accept and file the report.

BACKGROUND

The Seaside County Sanitation District's Basic Financial Statements for the year-ended June 30, 2015 have been completed and audited. The report is included with this agenda packet.

As in previous years, the auditors have given us a clean opinion on the financial statements. The audit opinion states that the financial statements present fairly the respective financial position of governmental activities and each major fund of the Seaside County Sanitation District as of June 30, 2015, and the respective changes in financial position for the fiscal year then ended.

FISCAL IMPACT

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

ATTACHMENTS

1. June 30, 2015 Audited Financial Statements

Reviewed for Submission By:

____
Craig Malin, District Manager

SEASIDE COUNTY SANITATION DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

GALLINA LLP
CERTIFIED PUBLIC ACCOUNTANTS

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SEASIDE COUNTY SANITATION DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Seaside County Sanitation District
Seaside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Seaside County Sanitation District (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2015, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

925 Highland Pointe Drive, Suite 450, Roseville, CA 95678-5418
tel: 916.784.7800 ■ fax: 916.784.7850 ■ www.gallina.com

To the Board of Directors
of the Seaside County Sanitation District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Gallina LLP

Roseville, California
December 18, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS

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As management of the Seaside County Sanitation District (District), we offer readers of the District's financial statements this discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. Please read this overview in conjunction with the basic financial statements and accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded liabilities as of June 30, 2015 by $8.5 million, an increase of $1.187 million.
- Total District revenues were $2.4 million in fiscal year 2014-2015.
- Total District expenses were $1.3 million in fiscal year 2014-2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's Basic Financial Statements. The Statement of Net Position (page 7), the Statement of Revenues, Expenses, and Changes in Position (page 8), and the Statement of Cash Flows (page 9) provide information about the activities of the District. The financial statements also include various footnote disclosures, which further describe the District activities.

During the fiscal year ended June 30, 2015, net position increased by $1.187million, mostly attributable to the District's charges for services revenue that continues to support the District's goal of long-term financial health.

A portion of the District's net position, $2.8 million, reflects its investment in capital assets such as infrastructure, machinery, vehicles, and equipment, minus any related outstanding debt. In addition, a significant portion of net position, $6.1 million or 67% is the District's cash and investments.

Statement of Net Position
Table 1

	2015	2014
Current and other assets	$ 6,147,283	$ 4,590,491
Capital assets	2,911,265	3,070,131
Total assets	9,058,548	7,660,622
Other liabilities	44,020	64,409
Long-term liabilities	521,163	289,977
Total liabilities	565,183	354,386
Net investment in capital assets	2,784,391	2,895,699
Restricted	2,979,314	2,888,682
Unrestricted	2,729,660	1,521,855
Total net position	$ 8,493,365	$ 7,306,236

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

For the fiscal year ended June 30, 2015, revenue increased by $640,687while expenses decreased by $300,616.

Statement of Activities
Table 2

	2015	2014
Revenues:		
Program revenues:		
Charges for services	$ 1,971,961	$ 1,307,360
Other revenue	-	66,632
General revenues:		
Property tax	377,903	340,595
Investment earnings	23,063	17,653
Total revenues	2,372,927	1,732,240
Expenses:		
Sanitation	1,301,342	1,601,958
Total expenses	1,301,342	1,601,958
Change in net position	1,071,585	130,282
Net position, July 1, restated	7,421,780	7,175,954
Net position, June 30	$ 8,493,365	$ 7,306,236

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the District are those assets which are used in the performance of the District's functions, including infrastructure assets.

As of June 30, 2015, the District's investment in capital assets amounted to $2.9 million (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, equipment, and construction in progress.

The table below provides a comparison of the District's capital assets for the current and prior years.

Capital Assets, Net of Accumulated Depreciation

	2015	2014
Intangible	$ 249,073	$ 334,080
Construction in progress	114,555	53,419
Equipment	10,754	5,383
Vehicles	246,344	283,581
Infrastructures	2,290,539	2,393,669
	$ 2,911,265	$ 3,070,132

The District issued a new capital lease during FY 2014-15 for the purchase of a new Vactor truck, however the truck was not received until FY 2015-16.

For additional information on capital assets, see Note 3 on page 15.

Long Term Obligations

At June 30, 2015, the District's total long-term obligations were $521,163, compared to $289,977 in the prior year. The long-term obligations amount was comprised of capital leases of $521,163. The increase from the prior year was due to a new lease issued for a Vactor Truck. Although the lease was executed in FY 2014-15, the District did not receive the capital asset until FY 2015-16.

For additional information on long-term debt, see Note 4 on pages 15 and 16.

Budgets and Budgetary Accounting

The annual budget is adopted by the District each June for the following year.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances for all those with interest in them. Questions concerning any of the information provided in this report or requests for additional information, contact the Deputy City Manager - Administrative Services at 440 Harcourt Avenue, Seaside, California 93955, phone 831-899-6718, or e-mail at dhodgson@ci.seaside.ca.us.

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SEASIDE COUNTY SANITATION DISTRICT

Statement of Net Position
June 30, 2015

Assets		
Current Assets:		
Cash and investments	$	5,428,166
Cash with fiscal agent		394,289
User fees receivable		9,542
Taxes receivable		313,350
Intergovernmental receivables		370
Prepaid expenses		1,566
Total Current Assets		6,147,283
Capital Assets:		
Non-depreciable		278,621
Depreciable, net of accumulated depreciation		2,632,644
Total Net Capital Assets		2,911,265
Total Assets		9,058,548
Liabilities		
Current Liabilities:		
Accounts payable		39,368
Accrued liabilities		3,914
Interest payable		483
Deposits from others		255
Capital lease payable - due within one year		109,070
Total Current Liabilities		153,090
Non-Current Liabilities:		
Capital lease payable - due in more than one year		412,093
Total Liabilities		565,183
Net Position		
Net investment in capital assets		2,784,391
Restricted		2,979,314
Unrestricted		2,729,660
Total Net Position	$	8,493,365

The accompanying notes are an integral part of the financial statements.

SEASIDE COUNTY SANITATION DISTRICT

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2015

Operating Revenues	
Charges for service	$ 1,971,961
Total Operating Revenues	1,971,961
Operating Expenses	
Contracted salaries and wages	311,156
Services and supplies	752,992
Depreciation	230,885
Total Operating Expenses	1,295,033
Operating Income	676,928
Non-Operating Revenues (Expenses)	
Interest income	23,063
Secured and unsecured property taxes	376,908
Property tax apportionment from RDA dissolution	995
Interest expense	(6,309)
Total Non-Operating Revenues (Expenses)	394,657
Change in Net Position	1,071,585
Net Position - Beginning of Year, restated	7,421,780
Net Position - End of Year	$ 8,493,365

The accompanying notes are an integral part of the financial statements.

SEASIDE COUNTY SANITATION DISTRICT

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

Cash Flows from Operating Activities		
Receipts from customers	$	1,656,129
Payments for contracted salaries and wages		(313,835)
Payments to suppliers		(772,482)
Net Cash Provided by Operating Activities		569,812
Cash Flows from Noncapital Financing Activities		
Property taxes		377,903
Net Cash Flows Provided by Noncapital Financing Activities		377,903
Cash Flows from Capital and Related Financing Activities		
Payment of principal		(47,559)
Purchase of capital assets		(72,019)
Proceeds of borrowings for capital purposes		394,289
Interest paid		(6,095)
Net Cash Flows Used for Capital and Related Financing Activities		268,616
Cash Flows from Investing Activities		
Interest income		23,063
Net Cash Provided by Investing Activities		23,063
Net Increase in Cash and Cash Equivalents		1,239,394
Cash and Cash Equivalents - Beginning of Fiscal Year		4,583,061
Cash and Cash Equivalents - End of Fiscal Year	$	5,822,455
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:		
Operating income	$	676,928
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		230,885
(Increase) decrease in assets:		
Receivables		(315,832)
Prepaids		(1,566)
Increase (decrease) in liabilities:		
Accounts payable		(17,924)
Accrued liabilities		(2,679)
Net Cash Provided for Operating Activities	$	569,812

The accompanying notes are an integral part of these financial statements.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Seaside County Sanitation District (District) are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

The Seaside County Sanitation District (District) is responsible for the transportation of sewage waste from residential and commercial buildings to a sewage treatment plant operated by the Monterey Regional Waste Pollution Control Agency. In addition, the District installs and maintains sewer lines and lift stations. The governing board consists of one appointed member each from the Cities of Del Rey Oaks, Sand City, and Seaside.

The District's basic financial statements include the operations of all organizations for which the Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability of fiscal matters. No operations of other entities met the aforementioned oversight criteria for inclusion from the accompanying basic financial statements.

The District is reported as a discretely presented component unit on the City of Seaside's financial statements.

B. Basis of Presentation and Accounting

The accompanying financial statements of the District are prepared on the accrual basis method of accounting in accordance with generally accepted accounting principles as applicable to governmental units.

All activities of the District are accounted for within an enterprise fund. Enterprise funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. In accordance with GASB No. 33, *Accounting and Reporting for Nonexchange Transactions*, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and resources are available. Revenues from sales tax are recognized when the underlying transactions take place and the resources are available. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied and the resources are available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. **Cash and Cash Equivalents**

The District's cash and investments are cash held by the County of Monterey (County), the City of Seaside (City) and PNC Equipment Finance.

D. **Receivables**

Receivables consist of user fees and connections fee which are billed and collected by the County. The District believes its receivables are to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

E. **Capital Assets**

Capital assets, which include intangible assets, construction in progress, infrastructure, vehicles, and equipment, are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date contributed. The District defines capital assets as assets with an initial individual cost of more than $25,000 for infrastructure and $5,000 for all other assets, and an estimated useful life in excess of one year.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method of depreciation over the estimated useful lives as follows:

Vehicles and Equipment	5-15 years
Infrastructure	50-75 years

F. **Net Position**

Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: Net investment is capital assets; restricted; and unrestricted net position. Net investment in capital assets, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. The District's restricted net position consists of monies set aside for future capital project outlays. Unrestricted net position consists of all other net position not included in the above categories.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Taxes

The District receives property taxes from the County, which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1 on the assessed values as of the prior January 1 for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2015, consisted of the following:

Cash and investments with the County of Monterey	$ 4,903,639
Cash and investments with the City of Seaside	524,527
Cash with fiscal agent	394,289
Total Cash and Investments	$ 5,822,455

Investments Authorized by California Government Code and the District's Investment Policy

The District's investment policy authorizes investment in all investments authorized under provisions of California Government Code Section 53601.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates.

Authorized Investment Type	Maturity (in Years) 12 Months or Less)
Monterey County Investment Pool	$ 4,903,639
	$ 4,903,639

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The credit rating and other information regarding the investment for the County pool for the fiscal year 2014-2015 are disclosed in the annual financial reports for the City.

Authorized Investment Type	Minimum Legal Rating	Rating as of Year End Not Rated
Monterey County Investment Pool	N/A	$ 4,903,639
		$ 4,903,639

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Districts deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

NOTE 3: CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Nondepreciable capital assets:				
Intangible assets	$ 164,066	$ -	$ -	$ 164,066
Construction in progress	53,419	61,136	-	114,555
Total nondepreciable capital assets	217,485	61,136	-	278,621
Depreciable capital assets:				
Intangible - Master Plan	340,028	-	-	340,028
Equipment	174,376	10,883	-	185,259
Vehicles	545,137	-	-	545,137
Infrastructure	7,296,978	-	-	7,296,978
Total depreciable capital assets	8,356,519	10,883	-	8,367,402
Less accumulated depreciation:				
Intangible - Master Plan	(170,014)	(85,007)	-	(255,021)
Equipment	(168,993)	(5,512)	-	(174,505)
Vehicles	(261,557)	(37,236)	-	(298,793)
Infrastructure	(4,903,309)	(103,130)	-	(5,006,439)
Total accumulated depreciation	(5,503,873)	(230,885)	-	(5,734,758)
Net depreciable capital assets	2,852,646	(220,002)	-	2,632,644
Net capital assets	$ 3,070,131	$ (158,866)	$ -	$ 2,911,265

NOTE 4: LONG-TERM LIABILITIES

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Capital leases	$ 174,433	$ 394,289	$ 47,559	$ 521,163	$ 109,070

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Lease Payable

During the fiscal year 2011-2012, the District entered into an agreement to lease a vehicle. The imputed interest rate is 3%. Principal and interest are payable monthly on the 15th until December 2017. The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2015, is as follows:

Year ending June 30:	
2016	$ 53,211
2017	53,211
2018	26,605
Total requirements	133,027
Less interest	(6,152)
Present value of remaining payments	$ 126,875

During the fiscal year 2014-2015, the District entered into an agreement to lease a vehicle. The imputed interest rate is 2.359%. Principal and interest are payable monthly on the 11th until July 2021. The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2015, is as follows:

Year ending June 30:	
2016	$ 60,505
2017	60,505
2018	60,505
2019	60,505
2020	60,505
2021-2022	121,010
Total requirements	423,536
Less interest	(29,248)
Present value of remaining payments	$ 394,288

NOTE 5: RISK MANAGEMENT

A. **Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The District is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

NOTE 5: RISK MANAGEMENT (CONTINUED)

B. **Self-Insurance Programs of the Insurance Authority**

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $30,000 to $750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of $750,000 up to the reinsurance attachment point of $5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from $5 million to $10 million are paid under a reinsurance contract subject to a $2.5 million annual aggregate deductible. The $2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from $10 million to $15 million are paid under two reinsurance contracts subject to a combined $3 million annual aggregate deductible. The $3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from $20 million up to $50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is $50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of $30 million per occurrence. This $30 million subsidence sub-limit is composed of (a) $5 million retained within the pool's SIR, (b) $15 million in reinsurance and (c) $10 million in excess insurance. The excess insurance layer has a $10 million annual aggregate.

C. **Purchased Insurance**

Pollution Legal Liability Insurance

The District participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the District. Coverage is on a claims-made basis. There is a $50,000 deductible. The Authority has a limit of $50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a $10 million sub-limit during the 3-year term of the policy.

NOTE 5: RISK MANAGEMENT (CONTINUED)

C. **Purchased Insurance** (continued)

Property Insurance

The District participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The District's property is currently insured according to a schedule of covered property submitted by the District to the Authority. The District's property currently has all-risk property insurance protection in the amount of $25,432,467. There is a $5,000 deductible per occurrence except for non-emergency vehicle insurance which has a $1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

D. **Adequacy of Protection**

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage in 2014-2015.

NOTE 6: RESTATEMENT OF NET POSITION

Adjustments resulting from errors or changes to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position.

During the current year, the following prior period adjustments were made:

Net position as of June 30, 2014, as previously reported	$	7,306,236
Restatements		
Transfer of compensated absences and OPEB liabilities to the City of Seaside		115,544
Net position as of July 1, 2014, restated	$	7,421,780

NOTE 7: RELATED PARTY TRANSACTIONS

The City of Seaside (City) performs maintenance and administrative services for the District. In this regard, the City charged the District $1,003,836 for the fiscal year ended June 30, 2015.

OTHER REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
of the Seaside County Sanitation District
Seaside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Seaside County Sanitation District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2015

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

925 Highland Pointe Drive, Suite 450, Roseville, CA 95678-5418
tel: 916.784.7800 ■ fax: 916.784.7850 ■ www.gallina.com

The Board of Directors
of the Seaside County Sanitation District

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gallina LLP

Roseville, California
December 18, 2015

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 5.A.

TO:	Seaside County Sanitation District
FROM:	Craig Malin, District Manager
BY:	Daphne Hodgson, Deputy City Manager Administrative Services
DATE:	March 8, 2016
SUBJECT:	**RESOLUTION APPROVING 2015-2016 MID-YEAR BUDGET REPORT AND 2014-2015 CAPITAL PROJECT CARRYOVERS**

PURPOSE

The purpose of this item is to give the Sanitation District Board an opportunity to review and discuss the status of the District's 2015-2016 Mid-Year Budget and the 2014-2015 capital project carryovers.

RECOMMENDATION

It is recommended that the Sanitation District Board adopt the attached resolution approving the 2015-2016 Mid-Year Budget Report and approving the 2014-2015 capital project carryovers.

BACKGROUND

The Sanitation District Board adopted the 2015-2016 Operating Budget on August 11, 2015.

The mid-year review involves a review of the revenue estimates used to develop the adopted budget, comparing the estimated revenue to actual revenues received to-date. As of December 31, 2015, the total actual revenues received to-date are in line with the estimates and no adjustments are needed at this time.

In addition, the mid-year review considers actual expenditures to-date to determine if the adopted appropriations are sufficient to complete the work plan for the balance of the fiscal year. As of December 31, 2015, the actual expenditures are under the 2015-2016 Adopted Budget and they are adequate to facilitate completion of the 2015-2016 Work Plan. Staff has requested carryover capital projects of $3,236,882.25, see detailed list attached.

The cash balances available to the Sanitation District as of December 31, 2015 are approximately $5,500,000.

FISCAL IMPACT

ATTACHMENTS

1. Resolution
2. 2014-2015 Capital Project Carryovers

Reviewed for Submission By:

____

Craig Malin, District Manager

RESOLUTION NO. ________

A RESOLUTION OF THE DISTRICT BOARD OF THE SEASIDE COUNTY SANITATION DISTRICT

ACCEPTING THE 2015-2016 MID-YEAR REPORT

WHEREAS, the District Board of the Seaside County Sanitation District adopted the 2015-2016 Annual Budget on August 11, 2015; and

WHEREAS, the District Board has reviewed the Mid-Year Status Report of the 2015-2016 Annual Budget and the 2014-2015 Capital Project Carryovers.

NOW, THEREFORE BE IT RESOLVED, that the District Board of the Seaside County Sanitation District hereby accepts the mid-year report and approves the 2014-2015 Capital Project Carryovers.

PASSED AND ADOPTED at a regular meeting of the District Board of the Seaside County Sanitation District duly held on the 8th day of March 2016 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

____
Ralph Rubio, Chair

ATTEST:

____
Lesley Milton-Rerig, Clerk of the Board

MEMORANDUM <u>Seaside County Sanitation District</u>

Resource Management Department

Date: January 27, 2016

To: Daphne Hodgson – Deputy City Manager, Administrative Services

From: Diana Ingersoll – Deputy City Manager, Resource Management Services
Tim O'Halloran – City Engineer / Public Works Services Manager

Subject: FYE 2016 Resource Management Services Carry-Forward Request

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This memorandum outlines the Resource Management Services Carry Forward Request for FYE 2016.

Capital Projects (Fund 953)

The following capital projects in Fund 953 are recommended to have funds carried forward for FYE 2016.

	Capital Improvement Projects	Acct #953-0-8820	Carry Forward
1	Del Monte Lift Station Upgrades - Carry Over	9201	$ 939,090.00
2	Rosita Lift Station Upgrades Near Term - Carry Over	9202	$ 70,275.00
3	942 Angelus Way Sewer Main Upgrade - Carry Over	9203	$ 472.33
4	Del Rey Park Sewer Main Upgrade - Carry Over	9204	$ 96,000.00
6	Military Lift Station Replacement - Carry Over	9206	$ 685,305.90
7	Fremont Blvd. Sewer Main Upgrade - Carry Over	9207	$ 912,127.00
8	Luzern St. Sewer Main Upgrade - Carry Over	9208	$ 75,000.00
9	La Salle Ave. Sewer Main Upgrade - Carry Over	9209	$ 115,000.00
19	Highway 1 Sewer Line Cleaning - Carry Over	9314	$ 40,500.25

Capital Outlay (Fund 952)

The following projects in Fund 952 are recommended to have funds carried forward for FYE 2016.

Capital Outlay	Acct #952-0-8820	Carry Forward
Video Inspection - Carry Over	8190	$ 89,117.00
Fee Studies Update - Carry Over	8193	$ 40,745.00
Sewer System Management Plan Update - Carry Over	8194	$ 25,708.75
Graphic Information System - Carry Over	8195	$ 24,955.58
LAFCO Application - Carry Over	8196	$ 122,585.44

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 5.B.

TO: Seaside County Sanitation District

FROM: Craig Malin, District Manager

BY: Diana Ingersoll, Deputy City Manager Resource Management Services
Tim O'Halloran, City Engineer/Public Works Services Manager
Rick Riedl, Senior Engineer

DATE: March 8, 2016

SUBJECT: **RECEIVE REPORT ON THE AUDIT OF THE SEWER SYSTEM MANAGEMENT PLAN**

PURPOSE

The purpose of this item is for the District Board to receive a report on the audit of the Seaside County Sanitation District (SCSD) Sewer System Management Plan (SSMP).

RECOMMENDATION

It is recommended that the Board receive a report on the audit of the SCSD Sewer System Management Plan (SSMP) and direct staff to revise the SSMP in accordance with the recommendations in the audit report.

BACKGROUND

In 2006 the State Water Resources Control Board (SWRCB) adopted Order No. 2006-0003-DWQ, "General Waste Discharge Requirements (GWDR) for Sanitary Sewer Systems." The GWDR was amended by the Executive Director of the SWRCB in 2008 by WQ 2008-0002-EXEC. These Orders (herein referred to SSSWDR Orders) require agencies that own or operate collection systems greater than one mile in length to prepare a Sewer System Management Plan (SSMP) and every two years audit their SSMP. Since the SCSD adopted the current SSMP in August 2009, an audit of the SSMP was required this year. Audits of the SSMP have been conducted by staff per SWRCB requirements in 2011 and 2013.

The SSSWDR Orders require sanitary sewer agencies to prepare and maintain an SSMP in order to facilitate proper funding and management of the sanitary sewer system and minimize sewer spills. The SSMP is required to contain the following eleven elements:

1. Goals

2. Organization
3. Legal Authority
4. Operation and Maintenance Program
5. Fats, Oils, and Grease Control Program
6. Overflow Emergency Response Plan
7. Design and Performance Provisions
8. System Evaluation and Capacity Assurance Plan
9. Monitoring, Measurement, and Program Modifications
10. SSMP Program Audits
11. Communication Plan

In order to perform an independent evaluation of the effectiveness and implementation of the SSMP, the District retained the Wallace Group, Inc. (Wallace Group) to complete this year's audit of the SSMP. The audit report (attached) assesses each of the eleven elements' compliance with the requirements of the SSSWDR and the District's effectiveness to implement the SSMP over the course of the past two years. The audit report finds the SCSD has been substantially effective in implementation of the SSMP and is in varying degrees of compliance with the SSSWDR as described in the SSMP dated September 9, 2014. The District is in full compliance with four (4) out of the eleven subsections (Elements) of SSSWDR, and in substantial or partial compliance with seven (7) of these Elements.

The following are the recommendations from the 2015 SSMP Audit with proposed follow up actions shown in *italic text*.

1.0 Goals

The audit made no recommendations for improvement to this section of the SSMP.

2.0 Organization

Revise the names of all District staff that are responsible or authorized as the Legally Responsible Official (LRO) when new staff are assigned responsibilities that would require inclusion.

Staff will update the SSMP to include all new or reassigned District staff, as appropriate.

3.0 Legal Authority

SCSD Ordinances should be revised to create an updated Sewer Use Ordinance that incorporates the MRWPCA Sewer Use Ordinance 2008-01 and future revisions to it by reference. Future updates to the District's Ordinances should make reference to specific design and construction standards utilized by the District.

This recommendation has been incorporated as the SCSD created Ordinance #19 on October 19, 2015 incorporating MRWPCA ordinance No. 2008-01, known as the Waste Discharge Ordinance of the Monterey Regional Water Pollution Control Agency, which establishes regulations for the interception, treatment and disposal of sewage and wastewater; provides for and requires charges and fees therefore; and fixes penalties for the violations of said regulations.

4.0 Operation and Maintenance Program

Implement a formal plan and schedule that documents manhole inspections.

Staff will update the SSMP to include a manhole inspection program.

Develop a formal Rehabilitation and Replacement (R&R) plan that incorporates CCTV sewer line condition assessments and future manhole inspection data. Include the proposed short- and long-term CIP completion schedule from the 2011 SMP and document in a table which projects were initiated and/or completed in FY 2013/14 and FY 2014/15.

Staff will update the SSMP to include a CCTV sewer line condition assessment program. The CIP table will be updated to show project status.

Update critical parts and equipment necessary for the operation and maintenance of District assets including District lift stations.

Staff updated the SSMP to include equipment and materials necessary for the operation and maintenance of District assets including District lift stations.

Develop training procedures specific to SCSD O&M activities and train on these procedures annually. Maintain documentation of this training.

Staff will develop a training program and update the SSMP to include documentation of this program.

Develop a plan to incorporate and train new staff as current staff nears retirement to insure SCSD "institutional knowledge" is maintained and there is adequate staffing to maintain compliance with requirements found in the SSWDRs.

Staff will develop a Geographical Information Systems (GIS) program to preserve institutional knowledge and update the SSMP to include documentation of this program.

5.0 Design and Performance Provisions

The audit made no recommendations for improvement to this section of the SSMP.

6.0 Overflow Emergency Response Plan

Provide annual training on; WDRs, OERP and supporting procedures. Maintain records that demonstrate this training and revise OERP and procedures as necessary.

Staff will develop a training program and update the SSMP to include documentation of this program.

7.0 Fats, Oils and Grease Control Program

Develop a plan and schedule to implement a Food Service Establishment (FSE) Fats, Oils and Grease (FOG) Control program.

Staff will develop a FSE FOG program to minimize illicit discharges.

Develop a plan and schedule to implement a video inspection program for FOG related SSOs.

Staff will update the SSMP to include a CCTV sewer line condition assessment program to document possible violations of the FSE FOG Control Program.

8.0 System Evaluation and Capacity Assurance Plan

Track and update projects identified in the CIP project plan and schedule into annual updates to the SSMP.

Staff will develop a GIS program to track CIP Projects and update the SSMP to include documentation of this program.

9.0 Monitoring, Measurement, and Program Modifications

Track, and evaluate the effectiveness of preventative maintenance for the sanitary sewer system and goals for overall SSMP implementation. Complete these evaluations and assessments and incorporate them into the update of this SSMP Section.

Staff is developing a GIS program to help track and evaluate the effectiveness of the preventative maintenance program and update the SSMP to include documentation of these evaluations.

10.0 Sewer System Management Plan Program Audit

Schedule future SSMP Audits and revise the SSMP with the dates of future audits which are to be conducted by, at a minimum:

- August 2, 2017;
- August 2, 2019;
- August 2, 2021.

Staff will program future audits of the SSMP every two years.

11.0 Communication Program

Revise SSMP to reflect current and planned outreach and education efforts regarding the SSMP and its implementation. Provide a forum for communications with tributary / satellite systems and document these efforts.

Staff will develop a website for the SCSD that would include the interactive GIS information to help communicate the effectiveness of the capital improvement and preventative maintenance programs and update the SSMP to include documentation of these efforts. Staff will develop a communications program with satellite systems.

The recommendations outlined above provide a summary of the elements requiring improvement for compliance with the SSSWDR. A detailed description of the compliance status for each of the eleven (11) elements described above can be found in the attached SSMP Audit Report.

<u>Next Steps:</u>

Staff will solicit professional services to assist with the implementation of the proposed updates. Staff will return to the Board with recommendations for entering into agreements for these services as needed.

It is recommended that the Board accept the 2015 SCSD Sewer System Management Plan Audit Report and direct staff to proceed with the solicitation of professional services to help revise the SCSD 2014 SSMP in accordance with the recommendations found in the Audit report.

FISCAL IMPACT

There is no fiscal impact to accepting this report. However, the costs associated with implementing the recommended updates are estimated to be approximately $960,000. The approved CIP has budgeted $572,000 to do some of the proposed tasks. Additional tasks and budget to implement recommended updates could be incorporated in the future budgets as directed by the Board.

ATTACHMENTS

1. SSMP Audit Report

Reviewed for Submission By:

____

Craig Malin, District Manager

SEASIDE
COUNTY SANITATION
DISTRICT

2015 Sewer System Management Plan Audit Report

August 21, 2015

PREPARED BY

WALLACE GROUP®

CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

____
Diana Ingersoll, PE
District Engineer
Seaside County Sanitation District

SCOPE AND PURPOSE

The State Water Resources Control Board (SWRCB) Sanitary Sewer System Waste Discharge Requirements Order No. 2006-0003-DWQ as amended by WQ 2008-0002-EXEC (herein SSSWDR Orders) require the Seaside County Sanitation District (District or SCSD) to implement and maintain a Sewer System Management Plan (SSMP).

The District has contracted with Wallace Group to complete an Audit of the District's current SSMP in order to evaluate the effectiveness of the SSMP and its implementation. The SSMP Audit measures compliance with section D.13 of the SSSWDR Orders and the effectiveness of the District's implementation of the current certified SSMP; Revision 2 dated September 9, 2014:

1.0 [SSSWDR, Section D.13.i]: Goals
2.0 [SSSWDR, Section D.13.ii]: Organization
3.0 [SSSWDR, Section D.13.iii]: Legal Authority
4.0 [SSSWDR, Section D.13.iv]: Operation and Maintenance Program
5.0 [SSSWDR, Section D.13.v]: Design and Performance Provisions
6.0 [SSSWDR, Section D.13.vi]: Overflow Emergency Response Plan
7.0 [SSSWDR, Section D.13.vii]: Fats, Oils, and Grease Control Program
8.0 [SSSWDR, Section D.13.viii]: System Evaluation and Capacity Assurance Plan
9.0 [SSSWDR, Section D.13.ix]: Monitoring, Measurement, and Program Modifications
10.0 [SSSWDR, Section D.13.x]: Sewer System Management Plan Program Audits
11.0 [SSSWDR, Section D.13.xi]: Communication Program

AUDIT FORMAT

The SSMP Audit separately evaluates each SSMP Section using the following format:

- Applicable SSSWDR Section
- Audit Finding
- Sufficiency Ranking
- Reference Information
- Deficiencies
- Recommendation of steps and schedule to correct Deficiencies

The ranking criteria utilized in the Audit are provided in Table 1 below:

Table 1: SSMP Audit Ranking Criteria

Ranking	Ranking Basis
In Compliance	All requirements specified in the section are met.
Substantial Compliance	The majority of requirements in the section are met.
Partial Compliance	Half of the requirements in the section are met
Marginal Compliance	Less than half of the requirements in the section are met.
Out of Compliance	None of the requirements in the section are met.

SSMP AUDIT PARTICIPANTS AND SCHEDULE

The SSMP Audit assesses the effectiveness of the District's SSMP Revision 2, dated September 9, 2014, and compliance with the SSSWDR Section D.13 requirements. The purpose of the Audit is to identify deficiencies, if any, in the SSMP and identify corrective actions and a schedule to complete them. The Audit was conducted by the following Wallace Group Staff:

- Bill Callahan
  Director of Public Works Administration

Seaside County Sanitation District Staff participating in the SSMP Audit were:

- Rick Riedl, P.E.
  Senior Civil Engineer - SCSD

The SSMP Audit was conducted in June 2015, the following table summarizes key dates and locations:

Table 2: SCSD SSMP Audit Key Dates

Date	Location	Topic	Staff
May 21, 2015	SCSD Office	SSMP Data and Records Request presented	R. Riedl, B. Callahan
June 11 – June 18, 2015	WG Office	SSMP Audit	R. Riedl, B. Callahan
August 21, 2015	WG Office and SCSD Office	SSMP Audit Report Review	R. Riedl, B. Callahan

SCSD 2015 SSMP AUDIT RESULTS

The SSMP Audit results in a finding that the SCSD SSMP dated September 9, 2014 is in compliance with four (4) out of eleven subsections (Elements) of SSSWDR Section D.13, and in substantial or partial compliance with seven (7) of these Elements. The District has been substantially effective in implementation of the SSMP. A summary of these results is presented in Table 2 below:

Table 3: SCSD SSMP September 2014, Revision 2 Audit Results

SSSWDR Section D.13	SSMP Compliance with Required Subsection	SCSD Effectiveness in the Implementation of SSMP Subsections	Recommendation
1.0 Goals [SSSWDR D.13(i)]	**In Compliance**	The District was effective in maintaining this section. SCSD provides three (3) goals which are specific, measurable and pertain to SCSD and its SSMP implementation. *It should be noted that the District has demonstrated a reduction in the number and volume of SSOs that have historically occurred between 2009 and 2014.This can be attributed in part to O&M activities conducted by the District.*	Revise the Goal Section in the next SSMP Update if additional goals are identified or required. Assess implementation and effectiveness of goals in Element 9: Monitoring Measurement and Program Modifications.
2.0 Organization [SSSWDR D.13(ii)]	**In Compliance**	The District was effective in maintaining this section. SCSD has maintained organization information and Legally Responsible Official contact information current and complete and provided an organization chart identifying SCSD and Contractor staff SSMP roles, responsibilities, and lines of authority.	Revise the Organization Section as necessary when new staff is assigned responsibilities included in this section.
3.0 Legal Authority [SSSWDR D.13(iii)]	**Substantial Compliance**	SCSD was effective in implementing this section.	Adopt MRWPCA Sewer Use

SSSWDR Section D.13	SSMP Compliance with Required Subsection	SCSD Effectiveness in the Implementation of SSMP Subsections	Recommendation
		The SSMP was updated in 2014 to specify which SCSD Sections and Ordinances meet each requirement. SCSD has not formally adopted the MRWPCA Sewer Use Ordinance 2008-01 as requested by MRWPCA in 2008.	Ordinance 2008-01 in July/August 2015. Revise the Legal Authority Section if there are future updates to District Ordinances in the future.
4.0 Operation and Maintenance Program [SSSWDR D.13(iv)]	**Substantial Compliance**	SCSD was partially effective in implementing this section. Updates are required to incorporate and implement a formal plan and schedule for manhole inspections and CCTV inspections, development of O&M procedures and staff training. Critical parts inventories are required to be updated and included in this section.	Update and implement the deficient portions of the Operations and Maintenance Program Section by the end of 2015.
5.0 Design and Performance Provisions [SSSWDR D.13(v)]	**In Compliance**	SCSD is effective in the implementation of this section. Design and construction standards through APWA are in place along with inspection and testing requirements for the majority of sewer system assets. Lift station design standards are developed on a case by case basis by a licensed Professional Engineer (PE).	N/A
6.0 Overflow Emergency Response Plan	**Substantial Compliance**	The District was partially effective in the implementation of this	Implement the Overflow Emergency

SSSWDR Section D.13	SSMP Compliance with Required Subsection	SCSD Effectiveness in the Implementation of SSMP Subsections	Recommendation
[SSSWDR D.13(vi)]		requirement. Written, formal procedures have been created however there is minimal documentation demonstrating these procedures have been trained on or implemented.	Response Plan by training staff and documenting these efforts.
7.0 Fats, Oils and Grease (FOG) Control Program [SSSWDR D.13(vii)]	**Partial Compliance**	SCSD was partially effective in the implementation of this requirement. SCSD has experienced a lower number of Category 1 when compared to State and regional averages and zero Category 2 SSOs in the past 5 years. SCSD has experienced a higher number of Category 3 SSOs per calendar year when compared to State and regional averages. The main cause of the SSOs is a combination of FOG and roots, 45% being attributed to FOG. The SCSD FOG Program effectiveness needs to be re-evaluated and updated. Inspections did not occur since the 2014 Update to the SSMP.	Update and implement the FOG Control Program Section in 2015
8.0 System Evaluation and Capacity Assurance Plan (SECAP) [SSSWDR D.13(viii)]	**Substantial Compliance**	SCSD was substantially effective in in implementing this requirement. A Sewer Master Plan (SMP) containing a SECAP was completed in May 2011. The SMP recommended capital improvement projects. Status updates to the SCSD Capital	Provide annual updates on the status of CIP in the SSMP annually.

SSSWDR Section D.13	SSMP Compliance with Required Subsection	SCSD Effectiveness in the Implementation of SSMP Subsections	Recommendation
		Improvement Plan (CIP) need to be included in the SSMP.	
9.0 Monitoring, Measurement, and Program Modifications [SSSWDR D.13(ix)]	**Substantial Compliance**	SCSD was substantially effective in implementing this requirement. Documentation reflecting the implementation of items listed in this section should be included in the SSMP to allow for evaluation of SSMP implementation and the SSMP as a whole.	Develop a plan to implement goals/commitments and evaluate O&M activities by the end of 2015. Document these activities.
10.0 SSMP Program Audits [SSSWDR D.13(x)]	**In Compliance**	SCSD was effective at implementing this section and completed the first two required SSMP Audits prior to the August 2nd deadline in 2011 and 2013. The 2015 Audit was completed in June 2015.	Conduct next SSMP Audit prior to August 2, 2017.
11.0 Communication Program [SSSWDR D.13(xi)]	**Substantial Compliance**	SCSD was partially effective in implementing this requirement. A formal SSMP Communication Program, which also includes communication and coordination with MRWPCA, needs to be created, implemented, and included in the SSMP.	Implement deficient areas of the Communication Program by the end of 2015.

The following sections of this report describe these deficiencies in detail and address future additions and updates the District is required to make to its SSMP. The above list of updates is a summary and is not intended to replace the detailed Deficiencies identified in the SSMP Audit Report. The entire SSMP Audit Report recommendations are recommended to be implemented in a reasonable time frame, which should be in the next Fiscal Year 2015/16, to ensure compliance with the SSSWDR Orders.

1.0 Goal [SSSWDR D.13(i)]

SSSWDR D.13(i) states:

> The goal of the SSMP is to provide a plan and schedule to properly manage, operate, and maintain all parts of the sanitary sewer system. This will help reduce and prevent SSOs, as well as mitigate any SSOs that do occur.

Section D.13(i): The September 2014 Seaside County Sanitation District (SCSD or District) SSMP includes three (3) goals which are specific and measureable.

1. Maintain or improve the condition of the collection system infrastructure in order to provide reliable service now and into the future;
2. Cost effectively minimize infiltration/inflow (I/I) and provide adequate sewer capacity to accommodate potential I/I; and
3. Minimize the number and potential negative impacts of Sanitary Sewer Overflows (SSOs) that occur.

Sufficiency: In Compliance

Reference: SCSD September 2014 SSMP, p. 1-1

Deficiencies: None. SCSD has three (3) specific and measurable goals, which pertain to SCSD and its SSMP implementation.

Recommendation: None.

2.0 Organization [SSSWDR D.13(ii)]

SSSWDR D.13(ii) states:

The SSMP must identify:

(a). The name of the responsible or authorized representative as described in Section J of this Order;

(b). The names and telephone numbers for management, administrative, and maintenance positions responsible for implementing specific measures in the SSMP program. The SSMP must identify lines of authority through an organization chart or similar document with a narrative explanation; and

(c). The chain of communication for reporting SSOs, from receipt of a complaint or other information, including the person responsible for reporting SSOs to the State and Regional Water Board and other agencies if applicable (such as County Health Officer, County Environmental Health Agency, Regional Water Board, and/or State Office of Emergency Services).

Section D.13 (ii)(a): The names of all District staff who are responsible or authorized as the Legally Responsible Official (LRO) are included in the SSMP. Diana Ingersoll, District Engineer, Tim O'Halloran, City Engineer and Rick Riedl, Senior Engineer are the LROs named with listed contact information.

These staff members are named in the California Integrated Water Quality System (CIWQS) database.

The section above is in compliance with the above requirement. See recommendations below.

Section D.13(ii)(b): The names and telephone numbers of District and contract staff with areas of responsibility for implementation of the SSMP are included in Table 2-2 of this section..

Lines of authority are presented in Appendix 2B1 and 2B2.

The section above is in compliance with the above requirement. See recommendations below.

Section D.13(ii)(c): A chain of communication for reporting sanitary sewer overflows (SSOs) is provided on Page 2-9 thru 2-12.

The section above is in compliance with the above requirement. See recommendations below.

Sufficiency: In Compliance

Reference: SCSD September 2014 SSMP, pages 2-1 – 2-12; CIWQS Facility At-A-Glance Report (June 11, 2015)

Deficiencies: N/A

Recommendation: Revise this section when new staff is assigned responsibilities that would require inclusion in this section.

3.0 Legal Authority [SSSWDR D.13(iii)]

SSSWDR D.13(iii) states:

> Each Enrollee must demonstrate, through sanitary system use ordinances, service agreements, or other legally binding procedures, that it possesses the necessary legal authority to:
>
> (a). Prevent illicit discharges into its sanitary sewer system (examples include I/I, stormwater, chemical dumping, unauthorized debris and cut roots, etc.);
>
> (b). Require that sewers and connections be properly designed and constructed;
>
> (c). Ensure access for maintenance, inspection, or repairs for portions of the lateral owned or maintained by the Public Agency;
>
> (d). Limit the discharge of fats, oils, and grease and other debris that may cause blockages; and
>
> (e). Enforce any violation of its sewer ordinances.

This section was reviewed against the following SCSD and MRWPCA ordinances which are found in Appendix A to R of this section of the SSMP:

- SCSD and MRWPCA Ordinances:
    - Ordinance No. 1, Articles 1-6
    - Section 22 of Ordinance No. 1 as amended by Ordinance No. 2
    - Ordinance No. 3
    - Section 20 of Ordinance No. 1 as amended by Ordinance No. 4
    - Section 30 of Ordinance No. 1 as amended by Ordinance No. 5
    - Ordinance No. 6
    - Section 22 of Ordinance No. 1 as amended by Ordinance No. 7
    - Ordinance No. 8
    - Ordinance No. 9
    - Section 1, 21 and 22 of Ordinance No. 1 as amended by Ordinance No. 10
    - Ordinance No. 11
    - Ordinance No. 12
    - Section 20 of Ordinance No. 1 as amended by Ordinance No. 13
    - Ordinance 14
    - Ordinance 15
    - Ordinance 16
    - Ordinance 17
    - MRWPCA Ordinance No. 2008-01

In the past five (5) years SCSD has incorporated the MRWPCA Sewer Use Ordinance 2008-01 "in practice;" therefore references to it are included in this SSMP Audit Report. These references should and could be used by SCSD not only as part of one of the reasons why it is important to legally formalize adoption of the MRWPCA Ordinance. As of the date of this Audit, this Ordinance is planned for review and potential adoption by the District at the July 2015 Board meeting.

Section D.13(iii)(a): Illicit discharges such as storm water, debris, chemicals, waste, concrete, debris that obstruct, etc. are addressed in the following District Ordinances:

- SCSD Ordinance No. 1 Sections:
  - Section 7: Storm Waters
  - Section 30: Industrial Wastes In General
  - Section 31: Industrial Wastes Exception, Permit Required
  - Section 30: MRWPCA Ordinance No. 82-02 incorporated
- SCSD Ordinance No. 5 Amended Section 30
- SCSD Ordinance No. 10 Amended Section 30 and 31

Illicit discharges are also addressed by the following MRWPCA Ordinance No. 2008-01 Sections:

- MRWPCA Ordinance No. 2008-01:
  - Section 2.01: Prohibitions on Discharges
  - Section 2.02: Prohibitions on Toxic Pollutants
  - Section 2.03: Prohibitions on Storm Drainage to Groundwater
  - Section 2.04: Prohibitions on Unpolluted Water
  - Section 2.05: Prohibitions on Dilution as Substitute for Treatment
  - Section 2.06: Limitations of Radioactive Wastes
  - Section 2.07: Limitations on the Use of Garbage Grinders
  - Section 2.08: Limitations on Point of Discharge
  - Section 2.09: Holding Tank Waste
  - Section 2.10: Limitation on Wastewater Strength

The section above is in substantial compliance with the above requirement. See recommendations below.

Section D.13(iii)(b): Proper design and construction of private connections are addressed in the following District documents, and MRWPCA Ordinance 2008-01 Section:

- SCSD Ordinance No. 1 Sections:
  - Section 20: Specifications - Lateral and House Sewers
  - Section 21: Specifications - Sewer Pipe
  - Section 22: Specifications - Installation
  - Section 40: Permits – Applications and Fees

  - o Section 30: Industrial Wastes - MRWPCA Ordinance No. 82-02

- SCSD Ordinance No. 2 Amended Section 22
- SCSD Ordinance No. 7 Amended Section 22
- SCSD Ordinance No. 10 Amended Section 21, 22, and 30

- MRWPCA Section 2.11: Sewerage Design Requirements

Design and construction standards for public sewers are not incorporated into the SCSD Ordinances; but are incorporated into contracts for rehabilitation and replacement of public sewers. These standards are referenced in Element 5: Design and Performance Provisions.

The section above is in compliance with the above requirement. See recommendations section below.

Section D.13(iii)(c): SCSD currently does not own and therefore does not require access to maintain or repair any portion of a Lateral Sewer, House Sewer or House Drain.

SCSD ensures access for inspection for portions of the lateral owned or maintained by a "Person" in:

- SCSD Ordinance No. 1 Sections:
  - o Section 1: Definitions
  - o Section 6: Powers of Inspector and Engineer
  - o Section 30: Industrial Wastes - MRWPCA Ordinance No. 82-02

- MRWPCA Section 4.07: Inspection and Sampling

The section above is in compliance with the above requirement. See recommendations section below.

Section D.13(iii)(d): SCSD has the authority to limit the discharge of FOG and other debris that may cause blockages into the system in the Ordinances specified below:

- SCSD Ordinance No. 1 Sections:
  - o Section 30: Industrial Wastes

- SCSD Ordinance No. 5 Amended Section 30
- SCSD Ordinance No. 10 Amended Section 30 and 31

- MRWPCA Section 2.10.2(f): Limitations on Wastewater Strength

The section above is in compliance with the above requirement. See recommendations section below.

Section D.13(iii)(e): SCSD has the authority to enforce any violation of its sewer ordinances in the sections of the Ordinances specified below:

- SCSD Ordinance No. 1 Sections:
    - Section 41: Inspections, Revocations, Transfers
    - Section 60: Penalties
- MRWPCA Section 7.07: Termination of Service

The section above is in compliance with the above requirement. See recommendations section below.

Sufficiency: Substantial Compliance

Reference:

- SCSD and MRWPCA Ordinances:
    - Ordinance No. 1, Articles 1-6
    - Section 22 of Ordinance No. 1 as amended by Ordinance No. 2
    - Ordinance No. 3
    - Section 20 of Ordinance No. 1 as amended by Ordinance No. 4
    - Section 30 of Ordinance No. 1 as amended by Ordinance No. 5
    - Ordinance No. 6
    - Section 22 of Ordinance No. 1 as amended by Ordinance No. 7
    - Ordinance No. 8
    - Ordinance No. 9
    - Section 1, 21 and 22 of Ordinance No. 1 as amended by Ordinance No. 10
    - Ordinance No. 11
    - Ordinance No. 12
    - Section 20 of Ordinance No. 1 as amended by Ordinance No. 13
    - Ordinance 14
    - Ordinance 15
    - Ordinance 16
    - Ordinance 17
    - MRWPCA Ordinance No. 2008-01

Deficiencies: SCSD's September 2014 SSMP specifies where the legal authorities required by the section are located and includes a copy of the SCSD Ordinances and MRWPCA 2008-01 Sewer Use Ordinance. The District has not legally formalized the adoption of the MRWPCA Ordinance. Design and construction standards for public sewers are not incorporated into the SCSD Ordinances; but are incorporated into contracts for rehabilitation and replacement of public sewers. These standards are referenced in Element 5: Design and Performance Provisions.

Recommendation: SCSD Ordinances should be revised to create an updated Sewer Use Ordinance that incorporates the MRWPCA SUO 2008-01 and future revisions to it by reference. Future updates to the District's Ordinances should make reference to specific design and construction standards utilized by the District.

4.0 Operation and Maintenance Program [SSSWDR D.13(iv)]

SSSWDR D.13(iv) states:

> The SSMP must include those sections listed below that are appropriate and applicable to the Enrollee's system:
>
> (a). Maintain an up-to-date map of the sanitary sewer system, showing all gravity line segments and manholes, pumping facilities, pressure pipes and valves, and applicable storm water conveyance facilities;
>
> (b). Describe routine preventive and operation and maintenance activities by staff and contractors, including a system for scheduling regular maintenance and cleaning of the sanitary sewer system with more frequent cleaning and maintenance targeted at known problem areas. The Preventative Maintenance (PM) Program should have a system to document scheduled and conducted activities, such as work orders;
>
> (c). Develop a rehabilitation and replacement plan to identity and prioritize system deficiencies and implement short-term and long-term rehabilitation actions to address each deficiency. The program should include regular visual and TV inspections of manholes and sewer pipes, and a system for ranking the condition of sewer pipes and scheduling rehabilitation. Rehabilitation and replacement should focus on sewer pipes that are at risk of collapse or prone to more frequent blockages due to pipe defects. Finally the rehabilitation and replacement plan should include a capital improvement plan that addresses proper management and protection of the infrastructure assets. The plan shall include a time schedule for implementing the short- and long-term plans plus a schedule for developing the funds needed to the capital improvement plan;
>
> (d). Provide training on a regular basis for staff in sanitary sewer system operations and maintenance, and require contractors to be appropriately trained; and
>
> (e). Provide equipment and replacement part inventories, including identification of critical replacement parts.

Section D.13(iv)(a): All sewer assets and appurtenances are identified in the GIS map referenced in the SCSD September 2014 SSMP. Two separate map atlas and map books are maintained by the District identifying sewer assets and storm water conveyance facilities that could be impacted by a SSO. Examples of the maps are included with this section of the SSMP. The District SSMP states that maps are updated as CIP and system upgrades are implemented. There have been no significant CIP since the 2014 SSMP Update and subsequently no required map updates.

The section above is in compliance with the above requirements. See recommendations section below.

Section D.13(iv)(b): The September 2014 SCSD SSMP summarizes goals and Routine Preventative Operation and Maintenance (O&M) activities in this section. O&M relating to sewer line; cleaning, inspection, and minor sewer line repairs are performed by the Seaside County Sanitation District (SCSD) staff.

O&M for the four (4) District Lift Stations are conducted by the Monterey Regional Water Pollution Control Agency (MRWPCA) maintenance staff under an Operations and Maintenance Agreement which has been in place since 1977.

SCSD's contract and associated contract amendment with MRWPCA for O&M Services was reviewed along with two quarterly Lift Station MRWPCA invoices. Lift Station logs were requested by the auditors and submitted by MRWPCA.

This section of the SSMP states that; sewer line cleaning activities are recorded on a District sewer atlas and cleaning activities are reported to the SCSD Board of Directors in a Monthly O&M Report. The entire system is cleaned annually with High Maintenance Areas (HMAs) cleaned every 6 months. Annual cleaning and HMAs are tracked on the District's Sewer Line Cleaning and Manhole Inspection Logs. These cleaning activities are also tracked on the District sewer atlas which is divided into eleven (11) cleaning basins and in monthly reports to the SCSD Board.

When problems are found during sewer line cleaning activities that cannot be diagnosed by District staff, a CCTV inspection is conducted by contracted staff (Greenline) to determine the conditions of the line. CCTV reports are reviewed and when sewer line defects are observed, they are repaired by District staff or scheduled as a future CIP.

The District SSMP discusses the inspection of manholes as part of routine sewer line cleaning activities. Evidence of manhole inspections was not available at the time of this audit.

The section above is in substantial compliance with the above requirements. See recommendations section below.

Section D.13(iv)(c): The September 2014 SSMP identifies the status of a six year Capital Improvement Program (2008-2014 CIP) . The process to identify system deficiencies in the sewer system includes: video assessments, lift station upgrades, and mainline and manhole cleaning and replacement. The table identifying project status should be updated to reflect the current status of projects, some which were due for implementation in 2014 and 2015.

The District conducted a Sewer System Master Plan which addresses the majority of the requirements in this section, completed in May 2011. This Master Plan provides an assessment of the Districts sewer system; Lift Stations, Force Mains, Manholes, and Sewer Line (capacities). A short- and long-term CIP and associated schedule was developed based on the results of this report through Fiscal Year (FY) 2018/19.

CCTV inspections were not conducted as part of the assessments referenced in the 2011 Master Plan however CCTV inspections are identified as O&M activities that should be conducted. The District has budgeted for CCTV inspections to be conducted in the previously mentioned years.

A formal plan and schedule to conduct CCTV inspections and assess sewer line deficiencies was not available at the time of this audit.

A Revenue Rate Program was also included as part of the 2011 Sewer Master Plan which provides funding for the associated improvements. The rate structure was formalized into District Ordinance No. 17 and adopted by the District Board on August 14, 2011. It provides for a 2.15% tiered annual increase for sewer users through FY 2015/16.

The plan to conduct CCTV inspections and a system for ranking the condition of sewer pipes and scheduling rehabilitation and replacement needs to be implemented and results should be included in the SSMP as completed.

The section above is in substantial compliance with the above requirements. See recommendations section below.

Section D.13(iv)(d): The September 2014 SSMP states that Staff receive extensive training in system operations and maintenance. SCSD Staff are all certified under the California Water Environmental Association (CWEA) Certification Program for the Operation and Maintenance of Sewer Collection Systems. Staff rotates through selected seminars and training courses provided by CWEA for training in Collection System Maintenance, SSO Response/Spill Prevention/Control, Traffic Control, Vactor Training, and Safety. Certifications for staff's participation in this training were reviewed.

The development and implementation of training procedures for collection system operations, maintenance, and monitoring are included in the SSMP and scheduled to be developed but were not available at the time of this audit. Procedures should be developed for O&M activities that are specific to the SCSD and training should be conducted annually at a minimum or when conditions require more frequent training. The District should provide evidence that contractors are trained for specific O&M activities they perform for the District and that they are aware of District collection system O&M Procedures.

The section above is in partial compliance with the above requirements. See recommendations section below.

Section D.13(iv)(e): A list of current collection system critical parts and equipment was provided for maintaining District sewer lines and manholes. This critical parts and equipment list in the SSMP has not been updated since the SSMP Update in 2014, however staff verbally reported that the list is current as stated in the SSMP with the addition of a CCTV push camera. A list of vendors for items and equipment not kept in stock was also reviewed. A list of critical parts and equipment necessary for the operation and maintenance of District Lift Stations was not available as stated in the 2014 SSMP.

The District should complete the development a comprehensive list of critical parts and equipment for all assets and equipment used in the sewer system, including critical parts and equipment for lift stations. Include these items in the next update to this SSMP.

The section above is in substantial compliance with the above requirements. See recommendations section below.

Sufficiency: Substantial Compliance

Reference: SCSD SSMP: September 2014, MRWPCA Lift Station Service Agreement: Amended August 2008, MRWPCA Quarterly Invoices: 2014, MRWPCA Lift Station Logs, SCSD Sewer System Master Plan (SMP) and Rate Study: 2011, SCSD Critical Parts and Equipment List, SCSD List of Hot Spots, SCSD FY 2014 Budget: Exhibit A-Capital Improvement Program.

Deficiencies: The preventative maintenance program does not include the implementation of manhole inspections, these activities are not documented. Funding is allocated for CCTV inspections, however the CCTV schedule, how the pipeline segments are assessed, and the plan for rehabilitation and/or repair of those pipeline segments found to be in need is not discussed in the SSMP. The critical parts and equipment list is not representative of all District owned assets such as Lift Stations and should be improved to identify parts needed to repair critical equipment. A training program and training records are not available reflecting the District's current staff training efforts.

Recommendation: Deficient sections of the O&M Program to be created and documented in the next SSMP revision include:

- Implement a formal plan and schedule that documents manhole inspections.
- Develop a formal Rehabilitation and Replacement (R&R) plan that incorporates CCTV sewer line condition assessments and future manhole inspection data. Include the proposed short- and long-term CIP completion schedule from the 2011 SMP and document in a table which projects were initiated and/or completed in FY 2013/14 and FY 2014/15.
- Update critical parts and equipment necessary for the operation and maintenance of District assets including District lift stations.
- Develop training procedures specific to SCSD O&M activities and train on these procedures annually. Maintain documentation of this training.
- Develop a plan to incorporate and train new staff as current staff nears retirement to insure SCSD "institutional knowledge" is maintained and there is adequate staffing to maintain compliance with requirements found in the SSWDRs.

5.0 Design and Performance Provisions [SSSWDR D.13(v)]

SSSWDR D.13(v) states:

(a). Design and construction standards and specifications for the installation of new sanitary sewer systems, pump stations, and other appurtenances; and for the rehabilitation and repair of existing sanitary sewer systems; and

(b). Procedures and standards for inspecting and testing the installation of new sewers, pumps, and other appurtenances and for rehabilitation and repair projects.

Section D.13(v)(a): The District utilizes the 1997 American Public Works Association, Southern California Chapter, Public Works Standards as its design and construction standards and specifications for new sanitary sewer systems, private pump stations, and other appurtenances and for the rehabilitation and repair of existing sewer systems. The design of pump stations and other appurtenances are required to be performed by a qualified professional engineer registered in the State of California.

The section above is in compliance with the above requirements.

Section D.13(v)(b): Procedures and standards for the acceptance testing and inspection of new and repaired sewer mains and appurtenances are specified on page 5-1 to 5-4 in the SSMP. APWA (Greenbook) standards are specified for manholes, sewer lines, etc. and results are required to be sent to the District Engineer for approval.

The section above is in compliance with the above requirements.

Sufficiency: In Compliance

Reference: SCSD September 2014 SSMP, p. 5-1 to 5-4. Appendix 5A1 of SSMP; 2009 APWA (Greenbook) Public Works Standards.

Deficiencies: The District is in compliance with this section. Design Standards and Specifications with Testing Procedures and Requirements were reviewed during the Audit.

Recommendation: None.

6.0 Overflow Emergency Response Plan [SSSWDR D.13(vi)]

SSSWDR D.13(vi) states:

> Each Enrollee shall develop and implement an overflow emergency response plan that identifies measures to protect public health and the environment. At a minimum, the plan must include the following:
>
> (a). Proper notification procedures so that the primary responders and regulatory agencies are informed of all SSOs in a timely manner;
>
> (b). A program to ensure appropriate response to all overflows;
>
> (c). Procedures to ensure prompt notification to appropriate regulatory agencies and other potentially affected entities (e.g. health agencies, Regional Water Boards, water suppliers,, etc.) of all SSOs that potentially affect public health or reach the waters of the State in accordance with the MRP. All SSOs shall be reported in accordance with this MRP, the California Water Code, other State Law, and other applicable Regional Water Board WDRs or NPDES permit requirements. The SSMP identifies the officials who will receive immediate notification;
>
> (d). Procedures to ensure that appropriate staff and contract personnel are aware of and follow the Emergency Response Plan and are appropriately trained;
>
> (e). Procedures to address emergency operations, such as traffic and crowd control and other necessary response activities; and
>
> (f). A program to ensure that all reasonable steps are taken to contain and prevent the discharge of untreated or partially treated wastewater to waters of the United States and minimize or correct any adverse impact on the environment resulting from the SSOs, including such accelerated or additional monitoring as may be necessary to determine the nature and impact of the discharge.

Section D.13 (vi)(a): The District SSMP includes SCSDs Overflow Emergency Response Program (OERP) on pages 6-1 to 6-10. Notification procedures are outlined in section 6.2 of this Element.

Section D.13 (vi)(b): A program and associated organizational flow chart showing key positions and their responsibility to ensure appropriate response to all overflows is found pages 6-2 through 6-10 of the SSMP.

Section D.13 (vi)(c): Procedures to ensure prompt notification are included on pages 6-1 to 6-10 of the SSMP and in Appendix 6A; SS-EOP-02: SSO Notification*.*

Section D.13 (vi)(d): Procedures to ensure appropriate staff and contractor personnel are aware of, follow, and are trained on the Overflow Emergency Response Plan are included in Appendix

6A; SS-EOP-09: SSO Training Requirements. Some training documentation for SSO response was available during the audit for the following portions of the OERP:

- October 8, 2013: Sanitary Sewer System Orders and SSMP
- October 8, 2013: Calculating SSO Volumes
- January 23, 2014: SSO Volume Estimation

Section D.13 (vi)(e): Procedures to address emergency operations, such as emergency traffic and crowd control and other necessary response activities are included in Appendix 6A of the SSMP. The following Emergency Operating Procedures were reviewed:

- SS-EOP-04: SSO Traffic and Crowd Control
- SS-EOP-05: SSO Volume Estimation
- SS-EOP-06: SSO Mitigation and Cleanup
- SS-EOP-08: SSO Response Documentation and Records
- SS-EOP-09: SSO Training Requirements

Section D.13 (vi)(f): The SCSD OERP does summarize how staff should contain a SSO and surface water quality monitoring information is referenced. A program with specific procedures to contain, prevent, and monitor untreated and partially treated wastewater to waters of the State is included in Appendix 6A:

- SS-EOP-01: Overflow Emergency Response Plan
- SS-EOP-02: SSO Notification
- SS-EOP-03: SSO Reporting
- SS-EOP-04: SSO Traffic and Crowd Control
- SS-EOP-05: SSO Volume Estimation
- SS-EOP-06: SSO Mitigation and Cleanup
- SS-EOP-07: SSO Water Quality Monitoring Program
- SS-EOP-08: SSO Response Documentation and Records
- SS-EOP-09: SSO Training Requirements

The sections above are in substantial compliance with the above requirements. See recommendations below.

Sufficiency: Substantial Compliance

Reference: SCSD September 2014 SSMP, SCSD 2014 OERP

Deficiencies: The District has developed a Overflow Emergency Response Program (OERP) which addresses the requirements listed in this section. Evidence of training was provided for a few of the Emergency Operating Procedures and WDR training however the District did not provide documentation demonstrating that staff is trained annually on the OERP and supporting procedures.

Recommendation: Provide annual training on; WDRs, OERP and supporting procedures. Maintain records that demonstrate this training and revise OERP and procedures as necessary.

7.0 Fats, Oils, and Grease Control Program [SSSWDR D.13(vii)]

SSSWDR D.13(vii) states:

> Each Enrollee shall evaluate its service area to determine whether a FOG control program is needed. If an Enrollee determines that a FOG program is not needed, the Enrollee must provide justification for why it is not needed. If FOG is found to be a problem, the Enrollee must prepare and implement a FOG source control program to reduce the amount of these substances discharged to the sanitary sewer system. This plan shall include the following as appropriate:
>
> (a). An implementation plan and schedule for a public education outreach program that promotes proper disposal of FOG;
>
> (b). A plan and schedule for the disposal of FOG generated within the sanitary sewer system service area. This may include a list of acceptable disposal facilities and/or additional facilities needed to adequately dispose of FOG generated within a sanitary sewer system service area;
>
> (c). The legal authority to prohibit discharges to the system and identify measures to prevent SSOs and blockages caused by FOG;
>
> (d). Requirements to install grease removal devices (such as traps or interceptors) and the development of design standards for such devices, maintenance requirements, BMP requirements, record keeping and reporting requirements;
>
> (e). Authority to inspect grease producing facilities, enforcement authorities, and whether the District has sufficient staff to inspect and enforce the FOG ordinance;
>
> (f). An identification of sewer system sections subject to FOG blockages and establishment of a cleaning maintenance schedule for each section; and
>
> (g). Development and implementation of source control measures for all sources of FOG discharged to the sewer system for each section identified in (f) above.

After the issuance of the SSS WDR in 2006, SCSD determined that FOG is an on-going problem in the sewer collection system and a FOG Program was needed. SCSD has over one hundred and fifty (150) Food Service Establishments in its service area.

In this Audit, the FOG Plan presented in the September 2014 SSMP was evaluated against the Section D.13(vii) requirements above. The effectiveness of the FOG Program was evaluated at the end of this section.

Section D.13(vii)(a): SCSD is part of the Southern Monterey Bay Dischargers Group, which has a Memorandum of Understanding (MOU) for Conducting a Public Education Program with the Monterey Regional Water Pollution Control Agency (MRWPCA). The Fiscal Year (FY) 2014/15

MOU was reviewed during the Audit and contains a FOG public education outreach program implementation plan and schedule for newsprint, radio, and television ads.

The section above is in compliance with the above requirement. See recommendations below.

Section D.13(vii)(b): The September 2014 SSMP states that information concerning how to dispose of FOG generated within the District's service area is disseminated under the public FOG education program administered by MRWPCA.

The SSMP identifies companies that are available for food service establishments (FSEs) to utilize for the collection and disposal of FOG; this information is available on the MRWPCA Clogbusters webpage located at www.clogbusters.org.

The section above is in compliance with the above requirement. See recommendations below.

Section D.13(vii)(c) – (e): The legal authority to prohibit discharges to the collection system and identify measures to prevent FOG-caused SSOs is a joint effort between the SCSD Ordinances and the MRWPCA Sewer Use Ordinance. The September 2014 SSMP gives a brief description these Ordinances achieve the required legal authorities, Table 3 was generated as part of this Audit to confirm that SCSD and MRWPCA have the jointly established the legal authorities required.

Table 3: SCSD and MRWPCA FOG Legal Authority

WDR Requirement	SCSD Ordinance Section or MRWPCA 2008-01 Ordinance Section	Specific Language
Prohibit FOG discharges to collection system	SCSD Ordinance No. 1 – Section 30	No person shall place, deposit or discharge, or cause, suffer or permit to be placed, deposited or discharged either directly or indirectly into any public sewer of this district or into any lateral connected therewith, or on or upon any street, alley or public place, or on or upon any private property or any other place in such a manner that the same will be permitted to run into any such sewer or lateral, any of the following substances: 1. Any oil, petroleum, naptha, liquid asphaltum or petroleum product, or other such specifically objectionable matter such as large rags, sand, earth, stone, dust, stone dust, pieces of concrete, etc.

WDR Requirement	SCSD Ordinance Section or MRWPCA 2008-01 Ordinance Section	Specific Language
		2. Any refuse or industrial waste that will cause or tend to cause obstructions in the sewer system or the sewage treatment plant or interfere or tend to interfere with the efficient and successful operation of said system or said plant. 3. Any chemicals or waste destructive of masonry. 4. Grease except in quantities commonly contained in domestic sewage. 5. Any waste matter in such quantity as to adversely affect the efficient operation of sewer lines, pumping facilities or waste treatment facilities.
Prohibit FOG discharges to collection system	SCSD Ordinance No. 15 – Section 5(k)(1)	FOG General Regulations and Procedures. Maintenance. Traps and interceptors shall be maintained in efficient operating condition by periodic removal of the accumulated grease. No collected grease shall be introduced into any public or private drainage piping.
Prohibit FOG discharges to collection system	MRWPCA – 2.10.2(f)	No person shall discharge any wastewater containing oil and grease of animal, vegetable, petroleum or mineral origin in such quantities to cause or to contribute significantly to: 1) disruptions in sewer lines and other collection system components; 2) interference with treatment plant operations; or 3) exceedances for plant NPDES permit limitations. Significant dischargers of oil and grease shall implement best practicable technologies for reducing the oil and grease content of their discharges.
Prohibit FOG discharges to collection system	MRWPCA – 2.01.2.8	The following pollutants shall not be introduced to the Treatment Works or community sewer: any trucked or hauled pollutants (residential septage, chemical toilet wastes, dilute oily wastes, and salt brine solutions are accepted at the Treatment Plant and are jointly regulated under MRWPCA Liquid Waste Ordinance 88-3 [as amended by Ordinance 93-1] and this Ordinance).

WDR Requirement	SCSD Ordinance Section or MRWPCA 2008-01 Ordinance Section	Specific Language
Require the installation of grease control devices such as a trap or interceptor	SCSD Ordinance No. 15 – Section 4(a)	Requirement for grease trap, grease interceptor, or other device. A food service establishment or any other business discharging grease, oil, or other similar material shall have an operable grease trap, grease interceptor or other comparable device(s) as determined by MRWPCA and SCSD to be an adequate substitute for a grease trap or grease interceptor.
Design standards for grease removal devices	SCSD Ordinance No. 15 – Section 5.(a) – (j)	See Appendix 6 for complete language of Ordinance. Section 5.(e)(4): If Grease Traps, and Grease Interceptors are not deigned in accordance with the Uniform Plumbing Code (UPC) Section 711 and/or Appendix H, they must be designed by a professional engineer, must be consistent with the standards of this Ordinance, and must be approved by the MRWPCA.
Require the maintenance of grease control devices, the implementation of Best Management Practices, and records and reporting.	SCSD Ordinance No. 15 – Section 5(k)(1) – (5)	General Regulations and Procedures Related to Grease Traps or Grease Interceptors. See Legal Authority, Appendix 6, for SCSD Ordinance 15. At that time, the requirement to follow FOG Best Management Practices are not included in Ordinance 15 as it was not considered to be appropriate.
Authority to inspect grease producing facilities	SCSD Ordinance No. 15 – Section 5(k)(4)	The District or its designee may perform grease trap and grease interceptor inspections bi-annually, or more often at the discretion of the District should maintenance reports not be received or should a grease trap or interceptor fail to operate properly as indicated by a mainline stoppage within 100 feet of said business.
Authority to enforce grease program requirements.	SCSD Ordinance No. 15 – Section 5(l)	Suspension or termination of Health Permit. The District shall have the discretion to request the Monterey County Health Department (District's Health Officer) to terminate or cause to be terminated the health permit of any user if any violation of any provision of this Ordinance is found to cause a condition of contamination,

WDR Requirement	SCSD Ordinance Section or MRWPCA 2008-01 Ordinance Section	Specific Language
		pollution, nuisance, or other threat to public health or safety.
Identify measures to prevent SSOs and blockages caused by FOG	MRWPCA – 2.01.2.3	Specific Prohibitions: 3. The following pollutants shall not be introduced into the Treatment Works or community sewer: solid or viscous pollutants in amounts which will cause obstruction to the flow in the Treatment Works resulting in interference.
Identify measures to prevent SSOs and blockages caused by FOG	MRWPCA – 2.10.2.f	No person shall discharge any wastewater: containing oil and grease of animal, vegetable, petroleum or mineral origin in such quantities to cause or to contribute significantly to: 1) disruptions of sewer lines and other collection system components; 2) interference with treatment plant operations; or 3) exceedances of plant NPDES discharge limitations. Significant dischargers of oil and grease shall implement best practicable technologies for reducing the oil and grease content of their discharges.

Section D.13(vii)(e): In 2007 and 2008, SCSD initially contracted the management and implementation of their FOG Control Program to MRWPCA. Management and implementation historically and currently does not include the issuance of a permit (control mechanism) to each FSE informing them of their requirements to manage their FOG as required by SCSD Ordinance No. 15 and MRWPCA 2008-01.

On page 7-10 of the September 2014 SSMP, the District's FOG inspection practices are summarized as annual collection of pumping and maintenance records for Food Service Establishments (FSEs) in the District's service area. FSEs who do not submit these records annually are subject to enforcement actions by the District.

There were no FOG Files available for review at the time of this audit.

SCSD Staff relayed that efforts have occurred since 2007 to inspect the over one hundred fifty (150) Food Service Establishments (FSE) in the service area but have fallen short due to lack of staff available to complete bi-annual inspections described in SCSD Ordinance No. 15 and document the results.

Sanitary Sewer Overflow (SSO) records for SCSD submitted to the State Database CIWQS since the SSMP Program inception in 2008 show that FOG is the number one cause of SSOs for SCSD (39%). Roots are the second most common cause (34%).

The CIWQS spill historical rate indices compares SCSD to other regional and State Agencies. SCSD experienced approximately 38% more Category 3 SSOs compared to statewide agency averages. SCSD experienced approximately 111% more Category 3 SSOs compared to regional agencies. The contributing factor in 45% of these Category 3 SSOs includes FOG as a contributing factor or cause of these SSOs. Both indices are compared for SSOs per one hundred miles of sewer system on average. *It is also important to note that the District is well below State and regional averages for Category 1 SSOs and has not experienced a Category 2 SSO in the past 5 years.*

This Category 3 rate is 38% higher that the State average and 111% higher than the regional average; the conclusion drawn from this audit is that SCSD does not have an effective FOG Control Program.

The sections above are in marginal compliance with the above requirements. See recommendations below.

Section D.13(vii)(f): The District SSMP identifies sections of the collection system, which are subject to grease blockages and contains a cleaning maintenance and chemical maintenance schedule for these high maintenance areas (HMAs).

The section above is in compliance with the above requirement. See recommendations below.

*Section D.13(vii)(g):*The District SSMP provides information regarding the development and implementation of source control measures for sources of FOG discharged to the sanitary sewer system for each FOG induced HMA. These areas are addressed through outreach efforts and more frequent sewer line cleaning/treatment

The section above is in compliance with the above requirement.

FOG Program Effectiveness: As SCSD is experiencing a higher rate of Class III SSOs than the State and Regional average; changes to the FOG Program are needed to bring the rate and number of SSOs down.

Sufficiency: Partial Compliance

Reference:

- SCSD September 2014 SSMP, p. 7-1 to 7-11;
- SCSD Ordinance No. 15;
- MRWPCA Ordinance No. 2008-01;
- SCSD Grease Program Outline (no date);
- CIWQS SCSD Operation Report History dated 6/15/15;
- SCSD Letters to Business/Residents after FOG SSO.

Deficiencies: The September 2014 SSMP does not include the following:

- The list of FSEs who are required to send in their grease trap/interceptor maintenance records annually;
- A summary of FSE maintenance record results;
- A summary of FSE inspection results;
- SCSD Ordinances do not formally incorporate the current MRWPCA Waste Discharge Ordinance, No. 2008-01

Recommendation: It is recommended that SCSD implement the following areas of this section of the SSMP:

- A plan and schedule to implement a FOG Control Program that includes FSE inspection; and
- A plan and schedule to implement a video inspection program for FOG related SSOs.

SCSD's Ordinances should also be updated to reference the current MRWPCA Sewer Use Ordinance, No. 2008-01.

8.0 System Evaluation and Capacity Assurance Plan [SSSWDR D.13(viii)]

SSSWDR D.13(viii) states:

> The Enrollee shall prepare and implement a capital improvement plan (CIP) that will provide hydraulic capacity of key sanitary sewer system sections for dry weather peak flow conditions, as well as the appropriate design storm or wet weather event. At a minimum, the plan must include:
>
> (a). **Evaluation**: Actions needed to evaluate those portions of the sanitary sewer system that are experiencing or contributing to a SSO discharge deficiency. The evaluation must provide estimates of peak flows (including flows from SSOs that escape from the system) associated with conditions similar to those causing overflow events, estimates of the capacity of key system components, hydraulic deficiencies (including components of the system with limiting capacity) and the major sources that contribute to the peak flows associated with overflow events;
>
> (b). **Design Criteria**: Where design criteria do not exist or are deficient, undertake the evaluation identified in (a) above to establish appropriate design criteria; and
>
> (c). **Capacity Enhancement Measures**: The steps needed to establish a short- and long-term CIP to address identified hydraulic deficiencies, including prioritization, alternatives analysis, and schedules. The CIP may include increases in pipe size, I/I reduction programs, increases and redundancy in pumping capacity, and storage facilities. The CIP shall include an implementation schedule and shall identify sources of funding.
>
> (d). **Schedule**: The Enrollee shall develop a schedule of completion dates for all portions of the capital improvement program developed in (a)-(c) above. This schedule shall be reviewed and updated consistent with the SSMP review and update requirements as described in Section D.14.

Section D.13(viii)(a): The SCSD SSMP refers to the May 2011 Sewer System Master Plan (2011 SMP) that evaluated physical and hydraulic conditions of the District sewer system. The 2011 SMP provided hydraulic evaluations of SCSD: Lift Stations, Force Mains, and Gravity Sewer Lines. Hydraulic evaluations were conducted to model existing dry and wet weather conditions and future dry and wet weather conditions which represent “worst case scenario” flow conditions. A review of District records shows the major contributing factor(s) that cause District SSOs are Fats, Oils, and Grease (FOG) and roots.

The section above is in compliance with the above requirements. See recommendations below.

Section D.13(viii)(b): Design criteria were identified in the 2011 SMP and used in system modeling to assess the hydraulic conditions existing in the system. These criteria were used to make recommendations for hydraulic upgrades in District Lift Stations, Force Mains, and Gravity Sewer Lines.

The section above is in compliance with the above requirements. See recommendations below.

Section D.13(viii)(c) – (d): The 2011 SMP included a 2011 Rate Study which identified assets that were recommended for hydraulic and structural upgrade and revenue strategies to fund capital projects and Operations and Maintenance. The District subsequently adopted a rate structure which was formalized into District Ordinance No.17 and adopted by the District Board on August 14, 2011. This rate structure provides for a 2.15% tiered annual increase for sewer users through FY 2015/16 to fund the capital projects identified in the 2011 SMP. The CIP schedule associated with the 2011 SSMP appears to be out of date and should be updated to reflect the current status of these projects.

The sections above are in substantial compliance with the above requirements. See recommendations below.

Sufficiency: Substantial Compliance

Reference: SCSD September 2014 SSMP; SCSD 2011 SMP; SCSD Capital Improvement Program: 2014 – Exhibit "A."

Deficiencies: The District has not updated the plan and schedule in the SSMP for the completion of capital improvement projects identified in the 2011 SMP.

Recommendation: Track and update projects identified in the CIP project plan and schedule into annual updates to the SSMP.

9.0 Monitoring, Measurement, and Program Modifications [SSSWDR D.13(ix)]

SSSWDR D.13(ix) states:

The Enrollee shall:

(a). Maintain relevant information that can be used to establish and prioritize appropriate SSMP activities;

(b). Monitoring the implementation and, where appropriate, measure the effectiveness of each section of the SSMP;

(c). Assess the success of the preventative maintenance program;

(d). Update program sections, as appropriate, based on monitoring or performance evaluations; and

(e). Identify and illustrate SSO trends, including: frequency, location and volume.

Section D.13(ix)(a): SCSD has a comprehensive summary of necessary and prioritized SSMP activities in the SSMP. SCSD also maintains records associated with some O&M activities, such as O&M Monthly Reports and sewer cleaning records, which are discussed in this SSMP Audit in the Operations and Maintenance Program [SSSWDR D.13(iv)] section. These monthly reports to the SCSD Board are referenced in this Section of the SCSD SSMP.

The District SSMP identifies implementation and management goals that are used to measure the implementation and effectiveness of the SCSD SSMP. Documents were provided during the audit to show that these goals were used to evaluate the implementation and effectiveness of the Districts SSMP.

The section above is in compliance with the above requirement. See recommendations below.

Section D.13(ix)(b) and (c): SCSD evaluates the implementation or effectiveness of the SSMP and preventative maintenance activities based on SSO trends. The District's preventative maintenance program is planned for additional updates to incorporate standardized O&M procedures for the collection system. Currently the success of the O&M program is based on the SSO trend evaluation included in this section of the SSMP.

The section above is in compliance with the above requirement. See recommendations below.

Section D.13 (ix)(d): The SCSD September 2014 SSMP was not revised since its re-certification by the Board in 2015, with the exception of this Element which was updated to reflect SSO Trends. Some of the commitments in this section were not able to be evaluated during this Audit due to the lack of supporting documentation. The District should review this section of the

SSMP and track the progress of implementation goals in this section. Revisions to the SSMP should be conducted based on these evaluations and assessments.

The section above is in substantial compliance with the above requirement. See recommendations below.

Section D.13(ix)(e): The SCSD September 2014 SSMP does track the frequency, location, cause, and volume of SSOs in Figure 9-1, 9-2, Table 9-2 and CIWQS SSO Reports in Appendix 9A. It should be noted that the District shows a reduced trend in the number and volume of SSOs between 2009 and 2014.

The section above is in compliance with the above requirement. See recommendations below.

Sufficiency: Substantial Compliance

Reference: SCSD September 2014 SSMP

Deficiencies: Some of the commitments in this section were not able to be evaluated during this Audit due to the lack of supporting documentation. The District should review this section of the SSMP and track the progress of implementation goals in this section. Revisions to the SSMP should be conducted based on these evaluations and assessments.

Recommendation: Track, and evaluate the effectiveness of preventative maintenance for the sanitary sewer system. Track, and evaluate the effectiveness and implementation of goals and commitments for each element of the SSMP. Complete these evaluations and assessments and incorporate them into the update of this SSMP Section. Report findings to the Board annually.

10.0 Sewer System Management Plan Program Audit [SSSWDR D.13(x)]

SSSWDR D.13(x) states:

> As part of the SSMP, the Enrollee shall conduct periodic internal audits, appropriate to the size of the system and the number of SSOs. At a minimum, these audits must occur every two years and a report must be prepared and kept on file. This audit shall focus on evaluating the effectiveness of the SSMP and the Enrollee's compliance with the SSMP requirements identified in this subsection (D.13), including identification of any deficiencies in the SSMP and steps to correct them.

Sufficiency: In Compliance

Reference: SCSD September 2014 SSMP, p. 10-1 to 10-3

Deficiencies: N/A

Recommendation: Schedule future SSMP Audits and revise the SSMP with the dates of future audits which are to be conducted by, at a minimum:

- August 2, 2017;
- August 2, 2019;
- August 2, 2021; etc.

11.0 Communication Program [SSSWDR D.13(xi)]

SSSWDR D.13(i) states:

> The Enrollee shall communicate on a regular basis with the public on the development, implementation, and performance of its SSMP. The communication system shall provide the public the opportunity to provide input to the Enrollee as the program is developed and implemented.
>
> The Enrollee shall also create a plan of communications with systems that are tributary and/or satellite to the Enrollee's sanitary sewer system.

Section D.13 (xi): The District SSMP outlines six (6) methods of communication to report to the general pubic and interested stakeholders regarding the status an implementation of the SSMP. The following Table demonstrates the effectiveness of the District in implementing this communication plan:

SCSD Communication Plan Effectiveness

Method of Communication	Task	Progress
District Website	SSMP and Supporting documents provided for public review on SCSD website	2014 SCSD SSMP and supporting documents are provided on SCSD website
Monthly Reporting at SCSD Board Meetings	Report on the results of SSMP Audits and Updates	The results of SSMP Audits and Updates have been reported at monthly Board meetings as applicable
FOG Control Program	Annual submission of FSE cleaning records for District review.	This activity did not occur – no records available at the time of this audit.
Public Works Office	District staff are available for questions regarding the O&M of the sewer system and SSMP. Outreach materials available for public consumption.	Staff and outreach information are available at the Public Works office.
MRWPCA Pre-Treatment Program	MRWPCA Source Control staff permits and manages industrial sewer users in the system.	This activity did not occur – no records available at the time of this audit.
Satellite Communication Program	Re-implementation of the MRWPCA Technical Advisory Committee meetings	These meetings have not been conducted – no records available at the time of this audit.

Sufficiency: Substantial Compliance

Reference: SCSD SSMP: 2014, SCSD Website; www.ci.seaside.ca.us

Deficiencies: SCSD has not conducted public outreach and education efforts in three (3) of the seven (7) areas committed to in the 2014 SSMP.
Areas of deficiency:
- FOG Control Outreach,
- Pre-Treatment Outreach and
- Satellite Communication Program.

Recommendation: Revise SSMP to reflect current and planned outreach and education efforts regarding the SSMP and its implementation. Provide a forum for communications with tributary/satellite systems and document these efforts.

Records List by SSMP Section

1.0 Goals – See Records under Sections 3 - 11

2.0 Organization – No Records

3.0 Legal Authority

a. SCSD Ordinances No. 1 – 17 and MRWPCA SUO 2008-01

4.0 Operation and Maintenance Program

a. April and May 2015 Operation and Maintenance Reports to SCSD Board
b. 2014 Sewer Line Cleaning Records
c. 2014 Sewer Hot Spot Lists
d. 2011 Sewer Master Plan, Sewer Maintenance Overview Map
e. 2008 SCSD Resolution 8-32 and 2008 MRWPCA Lift Station Maintenance Agreement
f. 2014 MRWPCA Quarterly Lift Station Invoices
g. 2014 – Critical Parts and Equipment Lists
h. 2014 – Short and Long-Range Capital Improvement Project List

5.0 Design and Performance Standards

a. Standard Plans for Public Works Construction 2009

6.0 Overflow Emergency Response Plan (OERP)

a. 2014 Overflow Emergency Response Program
b. 2014 Emergency Operating Procedures

7.0 Fats, Oils, and Grease Program

a. 2015 MRWPCA MOU to conduct FOG Public Education w/plan and schedule
b. Seaside County Sanitation District Ordinance No. 15
c. SCSD Website – Fats Oils and Grease Information and link to Clogbuster
d. California Tri-TAC FOG Website list of Monterey County FOG Haulers
e. Clog Busters Outreach
   - *About Clogbusters*
   - *National Marine Sanctuary Good Cleaning Practices Flyer*
   - *Emergency Phone Numbers for Southern Monterey Bay*
   - *Turkey Fry Oil*
   - *Southern Monterey Bay list of Plumbing Partners in Sewage Spill Prevention*
f. 2011 MRWPCA FOG Program Summary Presentation Report to SCSD Board

8.0 System Evaluation and Capacity Assurance Plan (SECAP)

a. SCSD 2014 – 2019 CIP List

9.0 Monitoring, Measurement, and Program Modifications

a. 6/11/15 SWRCB CIWQS Facility at a Glance and SCSD Operational Report

10.0 SSMP Audits

a. 2013 SCSD SSMP Audit

11.0 Communication Program

a. City of Seaside Webpage (www.ci.seaside.ca.us) SSMP Information; also Sand City and Del Ray Oaks webpage information