SEASIDE COUNTY SANITATION DISTRICT

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

REGULAR **MEETING AGENDA**
Board of Directors
Tuesday, December 13, 20169:30 AM,
City of Seaside 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 OCTOBER 11, 2016 REGULAR MEETING.**

PURPOSE: To review and approve the minutes from the October 11, 2016 Regular Meeting.

RECOMMENDATION: That the minutes be reviewed and approved.

B. APPROVAL OF EXPENDITURES FOR THE MONTH OF OCTOBER AND NOVEMBER 2016 FOR SEASIDE COUNTY SANITATION DISTRICT

PURPOSE: Approval of expenditures for October and November 2016 for an expenditure amount of $113,485.29.

RECOMMENDATION: Approve expenditures for October and November 2016. Total expenditures were $113,485.29.

C. SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR OCTOBER AND NOVEMBER 2016

PURPOSE: Receive monthly report for sewer maintenance and stoppages for October and November.

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

D. PARTICIPATION IN THE PUBLIC EDUCATION PROGRAM WITH MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

PURPOSE: The purpose of this item is to have the District Board consider participating in the Public Education Program for the Southern Monterey Bay Dischargers Group administered by the Monterey Regional Water Pollution Control Agency (MRWPCA).

RECOMMENDATION: It is recommended that the Board adopt a resolution to approve a Memorandum of Understanding (MOU) with the Monterey Regional Water Pollution Control Agency for conducting a Public Education Program for the Southern Monterey Bay Dischargers Group and authorize the District Manager to execute MOU.

E. MEMORANDUM OF AGREEMENT WITH THE MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY FOR GREASE INSPECTION SERVICES

PURPOSE: The purpose of this item is to have the District Board consider executing a Memorandum of Agreement (MOA) with Monterey Regional Water Pollution Control Agency (MRWPCA) for inspection services of food service establishments in support of the fats, oils and grease (FOG) Program.

RECOMMENDATION: It is recommended that the District Board authorize the District Manager to execute an MOA with Monterey Regional Water Pollution Control Agency for an amount not to exceed Forty Six Thousand Three Hundred Forty Eight Dollars ($46,348) to perform inspection services of food service establishments for the FOG Program.

5. NEW BUSINESS

A. SEWER USER FEES RATE STUDY

PURPOSE: The purpose of this item is to consider the draft rate study for the sewer user fees and provide direction on finalizing the sewer rate study.

RECOMMENDATION: It is recommended that the Board receive the draft rate study and direct staff on finalizing the rate study for sewer user fees.

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:
January 10, 2017
Seaside City Hall
9:30 a.m.

In compliance with the Americans with Disabilities Act (ADA), the Seaside County Sanitation District (SCSD) does not discriminate against persons with disabilities. 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, October 11, 2016 9:30 AM
REGULAR MEETING
Seaside Conference Room

1. **CALL TO ORDER**

The meeting was called to order at 9:30 a.m.

2. **ROLL CALL**

Present: Lintell, Pendergrass, Rubio

3. **ORAL COMMUNICATIONS COMMENTS**

There were no members of the public present.

4. **CONSENT AGENDA**

On motion by First Vice Chair Pendergrass and seconded by Second Vice Chair Lintell and passed by unanimous vote, the Board approved the consent agenda as presented.

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

A. **APPROVAL OF MINUTES FROM THE SEPTEMBER 13, 2016, REGULAR MEETING.**

Action: Approved

B. **APPROVAL OF EXPENDITURES FOR THE MONTH OF SEPTEMBER 2016 FOR SEASIDE COUNTY SANITATION DISTRICT**

Action: Accepted

C. **SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR THE MONTH OF SEPTEMBER 2016**

Action: Accepted

5. **NEW BUSINESS**

6. **STAFF REPORTS**

There were no reports from staff.

7. **BOARD MEMBERS COMMENTS**

There were no comments from the Board.

8. **ADJOURNMENT**

On motion, the meeting was adjourned at 9:31 a.m.

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
DATE:	December 13, 2016
SUBJECT:	**APPROVAL OF EXPENDITURES FOR THE MONTH OF OCTOBER AND NOVEMBER 2016 FOR SEASIDE COUNTY SANITATION DISTRICT**

PURPOSE

Approval of expenditures for October and November 2016 for an expenditure amount of $113,485.29.

RECOMMENDATION

Approve expenditures for October and November 2016. Total expenditures were $113,485.29.

BACKGROUND

Expenditure reports attached. Cash balance as of November 30, 2016, $6,185,588.33.

FISCAL IMPACT

No fiscal impact.

ATTACHMENTS

1. YTD EXPENDITURES-EFT
2. YTD EXPENDITURES OCTOBER & NOVEMBER 2016

Reviewed for Submission By:

____
Craig Malin, District Manager

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 : $ **113,485.29**

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 $ 113,485.29

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

Daphne Hodgson, Deputy City Manager / Administrative Services (831) 899-6718; SCSD
Expenses for OCTOBER AND NOVEMBER , 2016.

Prepared By: Patricia Vesquez Date:
Approved By:____ Date:____ Keyed By:____ Date:____

YTD (16-17) Expenses as of OCTOBER AND NOVEMBER 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	19,530.15	12,868.57	6,661.58
951-0-8810-0002	Overtime	340.04	218.85	121.19
951-0-8810-0006	Workers Compensation	476.00	200.00	276.00
951-0-8810-0010	Management Leave Payoff	212.22	-	212.22
951-0-8810-0012	Vacation	5,641.61	5,254.49	387.12
951-0-8810-0016	Deferred Compensation	149.02	116.77	32.25
951-0-8810-0017	PARS-ARS 457	49.92	49.92	-
951-0-8810-0030	PERS Pension Ob Bond	471.00	192.00	279.00
951-0-8810-0031	PERS Pension	2,783.04	1,753.04	1,030.00
951-0-8810-0032	PARS Pension	2,277.92	1,828.70	449.22
951-0-8810-0033	LIUNA Pension	45.73	45.73	-
951-0-8810-0041	Medical Insurance	2,276.96	1,034.44	1,242.52
951-0-8810-0044	Retiree Medical Insurance	1,722.15	1,148.10	574.05
951-0-8810-0051	Dental Ins	112.79	31.46	81.33
951-0-8810-0061	Vision Ins-CPIC	9.30	7.32	1.98
951-0-8810-0071	LTD	39.68	25.18	14.50
951-0-8810-0081	Life Insurance	40.05	25.21	14.84
951-0-8810-0092	Medicare Tax	364.17	257.16	107.01
951-0-8810-1022	Legal Services	1,216.52	817.66	398.86
951-0-8810-1029	Training and Education	(325.00)	(325.00)	-
951-0-8810-1030	Consultant	-	-	-
951-0-8810-1033	Fitness Program	60.20	23.30	36.90
951-0-8810-3095	Department Consumables	90.48	90.48	-
951-0-8810-4121	Meetings/Travel	260.00	260.00	-
951-0-8810-4122	Dues and Memberships	-	-	-
951-0-8810-5132	Telephone	771.90	463.14	308.76
951-0-8810-9196	Impact Fees	198,187.25	198,187.25	-
951-0-8810-9395	Vehicle Maintenance	23,213.00	9,290.00	13,923.00
951-0-8810-9398	Central Service Charge	79,869.00	31,953.00	47,916.00
951-0-8820-0001	Salaries	35,356.39	19,380.35	15,976.04
951-0-8820-0002	Overtime	4,685.21	3,035.45	1,649.76
951-0-8820-0006	Workers Compensation	5,780.00	2,318.00	3,462.00
951-0-8820-0016	Deferred Compensation	144.14	111.38	32.76
951-0-8820-0030	PERS Pension Ob Bond	457.00	187.00	270.00
951-0-8820-0031	PERS Pension	6,005.97	3,481.03	2,524.94
951-0-8820-0033	LIUNA Pension	418.53	314.89	103.64
951-0-8820-0041	Medical Insurance	4,059.19	1,661.83	2,397.36
951-0-8820-0051	Dental In	209.69	50.26	159.43
951-0-8820-0061	Vision Ins	31.44	23.90	7.54
951-0-8820-0071	LTD	55.85	42.14	13.71
951-0-8820-0081	Life Insurance	41.33	31.75	9.58
951-0-8820-0092	Medicare Tax	553.12	310.10	243.02
951-0-8820-2049	Uniform Service/ Laundry	839.93	150.31	689.62
951-0-8820-2068	Refuse Disposal	565.30	-	565.30
951-0-8820-2073	Subcontracted Work	341.85	65.85	276.00
951-0-8820-3095	Department Consumables	781.99	457.55	324.44
951-0-8820-3097	Safety Equipment	438.38	438.38	-
951-0-8820-4121	Meetings/Travel	900.00	600.00	300.00
951-0-8820-4122	Dues and Memberships	83.00	-	83.00
951-0-8820-5131	Gas & Electric	2,995.40	1,534.98	1,460.42
951-0-8820-5133	Water	8,060.97	8,060.97	-
952-0-8820-9605	Interest Expense	9,215.14	8,854.22	360.92
952-0-8820-9608	Lease Payments	25,366.14	16,858.66	8,507.48
953-0-8820-9207	Fremont BL Sewr Main Upgr	-	-	-
953-0-8820-9212	LAFCO Application	241.50	241.50	-
953-0-8820-9216	Sewer Master Plan	9,752.50	9,752.50	-
954-0-8810-2090	Insurance	123,023.00	123,023.00	-
			951-1009	**104,616.89**
			952-1009	**8,868.40**
			953-1009	**-**
			954-1009	**-**
TOTAL OCTOBER & NOVEMBER 2016 DRAW DOWN				**113,485.29**

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 4.C.

TO:	Seaside County Sanitation District
FROM:	Craig Malin, District Manager
BY:	Rick Riedl, City Engineer
DATE:	December 13, 2016
SUBJECT:	**SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR OCTOBER AND NOVEMBER 2016**

PURPOSE

Receive monthly report for sewer maintenance and stoppages for October and November.

RECOMMENDATION

Accept reports. This item is presented for information only.

BACKGROUND

Attached is the Seaside County Sanitation District Operations Report and Flush Map for October and November 2016.

FISCAL IMPACT

There is no fiscal impact associated with this item.

ATTACHMENTS

1. Monthly Sanitation Report - October 2016
2. Monthly Sanitation Report - November 2016
3. November 2015 Flush Map

Reviewed for Submission By:

____
Craig Malin, District Manager

Seaside County Sanitation District
Operations Report

Fiscal Year 2016/2017 Month of October

	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	0	0	0	0	7,284	44,950	7,284	44,950
Main Line Video		0		0		0	0	0
Main Lines Treated for Grease Controll (Jet Power II)	262	786	190	570	4,149	9,395	4,601	10,751
Stoppages								
Main Line		1		0		2	0	3
Laterals		0		0	3	6	3	6

Sewer Repairs
None

Sewers Video
None

Stoppage Locations

Del Rey Oaks

Sand City

Seaside
1443 Fremont Blvd (L)
1244 Harding St (L)
1381 Circle Ave (L)

Seaside County Sanitation District
Operations Report

Fiscal Year 2016/2017 Month of November

	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 Jetted		0		0	42,972	87,922	42,972	87,922
Main Line Video		0		0		0	0	0
Main Lines Treated for Grease Controll (Jet Power II)	262	1,048	190	760	3,618	13,013	4,070	14,821
Stoppages								
Main Line		1		0		2	0	3
Laterals		0		0		6	0	6

Sewer Repairs
None

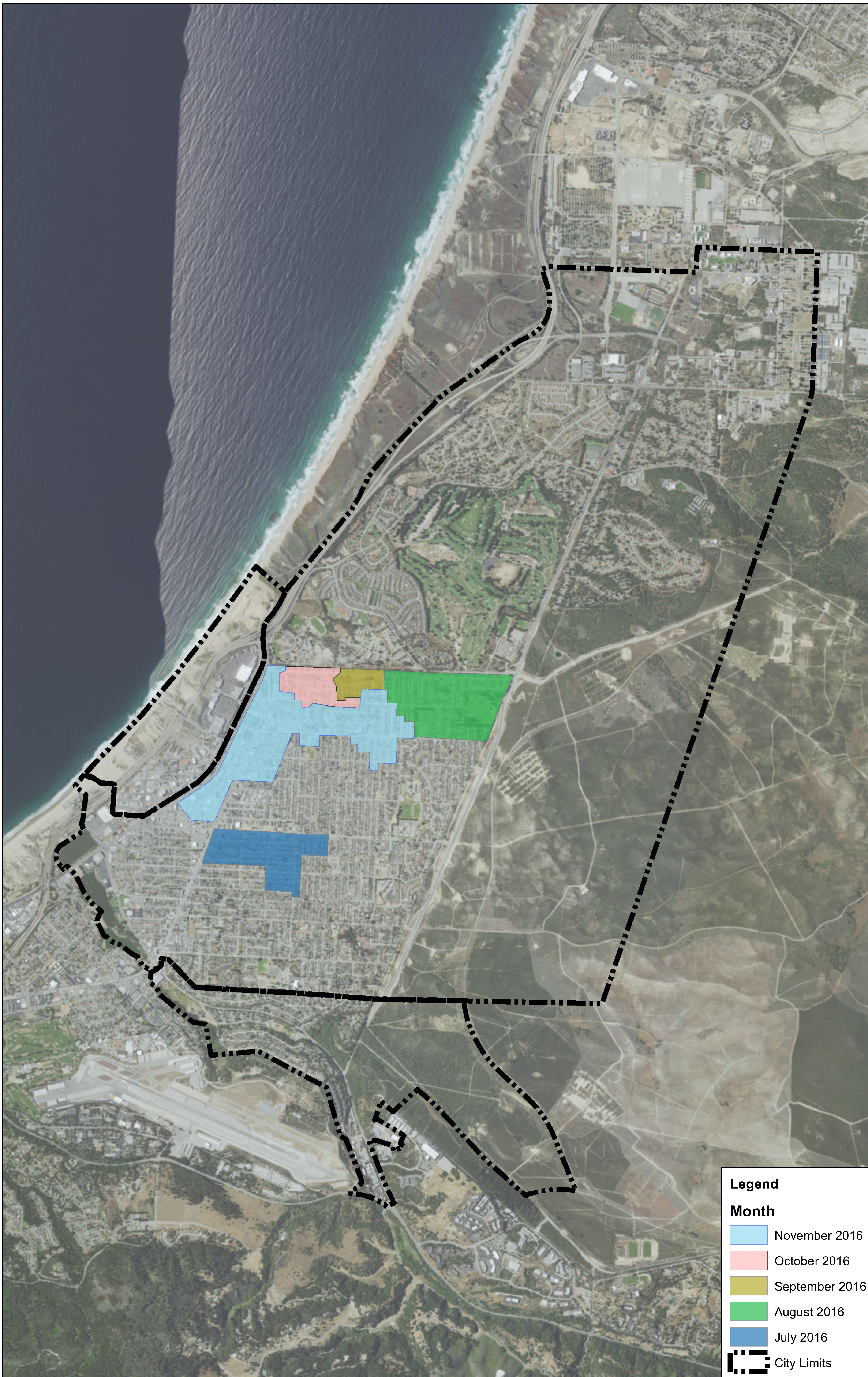
Sewers Video
None

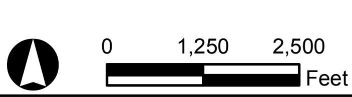
Stoppage Locations

Del Rey Oaks

Sand City

Seaside
1364 Skyview (L)
1115 Olympia (L)
2049 Fremont (L)
1534 Fremont (M - Grease)





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: Rick Riedl, City Engineer
Scott Ottmar, Assistant Civil Engineer

DATE: December 13, 2016

SUBJECT: **PARTICIPATION IN THE PUBLIC EDUCATION PROGRAM WITH MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY**

PURPOSE

The purpose of this item is to have the District Board consider participating in the Public Education Program for the Southern Monterey Bay Dischargers Group administered by the Monterey Regional Water Pollution Control Agency (MRWPCA).

RECOMMENDATION

It is recommended that the Board adopt a resolution to approve a Memorandum of Understanding (MOU) with the Monterey Regional Water Pollution Control Agency for conducting a Public Education Program for the Southern Monterey Bay Dischargers Group and authorize the District Manager to execute MOU.

BACKGROUND

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

The purpose of the WDRs is to set specific sewer collection system operation and maintenance requirements, regulate the collection systems, and uphold State water quality standards. Section 13(vvi) of Order 2006-0003-DWQ, states “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." In order to comply with the WDRs, the District developed a Sewer System Management Plan (SSMP), which includes a FOG Control Program (also known as the Grease Program). The two main elements of the Grease Program implemented by the District are the Public Education Outreach Program and the requirement to install grease removal devices at food serving establishments.

Public Education Program:

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

As in the previous years, MRWPCA has offered their assistance with implementation of a Public Education Outreach Program (the Program). The Program promotes the proper disposal of FOG by educating the public. The proposed program consists of mass media advertising in television, print media, internet website, and internet advertisements. The Fiscal Year 2016-2017 Grease Public Outreach Plan attached as Attachment A outlines the type of media outlets and the number of advertisements over the course of the year.

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

FISCAL IMPACT

To increase the cost-effectiveness of the Program, all costs are shared based upon the population served by the member agencies. For the upcoming Program, the cost would be broken down based on 2010 Census information and the total number of entities electing to continue participation. For fiscal year 2016-2017, the Program cost is $12,633 and the District's cost-share is $1,550.20, see Attachment B.

ATTACHMENTS

1. Memorandum of Understanding
2. Attachments A & B to the MOU
3. Resolution

Meeting Date: December 13, 2016

Reviewed for Submission By:

____
Craig Malin, District Manager

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

THIS MEMORANDUM OF UNDERSTANDING is made and entered into on _____________ ____, 2016, between the **MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY** (the "Agency"), and the **SEASIDE COUNTY SANITATION DISTRICT** (the Discharger"), as follows:

Recitals

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

Terms and Conditions

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

1. Over the remainder of fiscal year 2016-2017 on behalf of the Southern Monterey Bay Dischargers Group the Agency will conduct the public education program described in Attachment A.
2. The Discharger will compensate the Agency the amount shown in Attachment B as its share of the overall cost of conducting this public education program.
3. The Agency will invoice the Discharger for its share of these costs, and the Discharger will pay the Agency this amount within ninety (90) days of receipt of the invoice.

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

By ______________________________

Paul A. Sciuto, General Manager
Print Name/Title

SEASIDE COUNTY SANITATION DISTRICT

By ______________________________

Craig Malin, District Manager
Print Name/Title

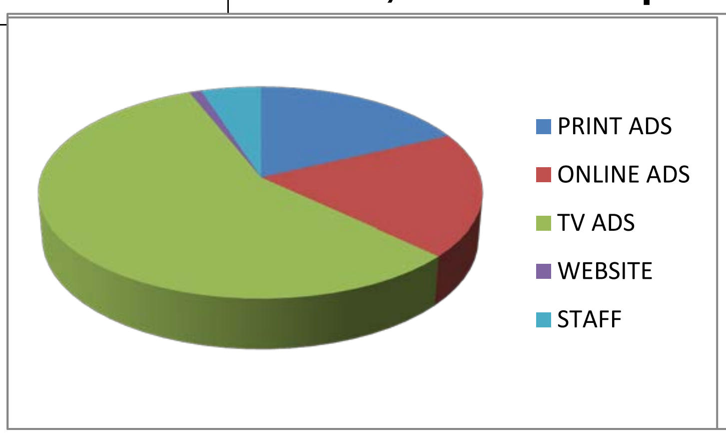
Attachment A

WDR Grease Public Outreach Plan
FY 16/17

Media Type	Budget Detail Summary
TV	**(57%)**
KSBW TV, Channel 8	7 weeks, 61 ads, 0:15
KSMS TV, Channel 67 (Univision)	7 weeks, 89 ads, 0:15 (150 total ads)
Print	**(18%)**
Carmel Pine Cone, Fri	2 ads* (1/5 pg, b/w)
Monterey County Weekly, Thu	8 ads (1/6 page, b/w)
Internet Website – ClogBusters.org	**(1%)**
Hosting, backups, archiving, 2 website updates	12 months
Online Ads & Search Marketing	**(19%)**
KSBW TV Channel 8 1 month	40,000 impressions/mo
KSMS TV Channel 67 (Univsion) 2 months	Unlimited impressions/mo
Monterey County Weekly 2 months	Web Banners
Staff/Misc. Program management; Clogbusters	**(5%)**
Total Budget	**$12,636.00 Group**

Note: expense percentage for each media type is percentage of $12,636.00 shared group budget.

* CAWD and PBCSD contributing $1386.00 to run 7 additional biweekly ads through Dec 30, 2016 (9 ads total).



Attachment B

Southern Monterey Bay Dischargers Grease Outreach Partnership

SHARED COSTS FOR FY 16/17 PUBLIC EDUCATION PROGRAM ON GREASE DISPOSAL PRACTICES PUBLIC EDUCATION PROGRAM BUDGET = $18,000			
ENTITY	**POPLUATON WITHIN AREA TO BE COVERED BY REGIONAL WDR PROGRAM**	**PERCENTAGE OF BUDGET TO BE PAID BY THIS ENTITY**	**CONTRIBUTION TOWARD FY 2016/2017 BUDGET**
City of Salinas	150,441	52.756%	$6666.26
Seaside County Sanitation District(1)	34,983	12.268%	$1550.20
Marina Coast Water District(2)	33,364	11.700%	$1478.43
City of Monterey	27,810	9.752%	$1232.28
City of Pacific Grove	15,041	5.275%	$ 666.56
Castroville Community Services District(3)	7,204	2.526%	$ 319.20
California American Water(4)	6,380	2.237%	$ 282.68
Pebble Beach Community Service District	4,509	1.581%	$ 199.79*
Carmel Area Wastewater District	3,722	1.305%	$ 164.90*
County of Monterey	1710	0.599%	$ 75.70
TOTAL	285,164	100.00%	$12,636.00

Notes:

(1) Combined 2010 Census population of Seaside, Sand City, and Del Rey Oaks.
(2) Combined 2010 Census population of City of Marina and Ord Community population provided by MCWD
(3) Combined 2010 Census population of Castroville and Moro Cojo area population reported by Castroville Community Service District. Revised to include Moss Landing 2010 Census population.
(4) Combined population of Oak Hills, Indian Springs, Las Palmas, Spreckels, Pasadera, White Oaks, Village Green, Carmel Valley Ranch provide by Cal-Am September 2011.

* PBCSD and CAWD contribution would increase $693.00 ea for additional Carmel Pine Cone ads through DEC 2016.

RESOLUTION NO. 16-___

RESOLUTION OF THE SEASIDE COUNTY SANITATION DISTRICT AUTHORIZING THE DISTRICT MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY FOR PARTICIPATION IN THE PUBLIC EDUCATION PROGRAM FOR FISCAL YEAR 2016-2017.

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

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

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

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

WHEREAS, this cost has been broken down by each entities population based on 2010 Census data; and

WHEREAS, the Seaside County Sanitation District portion of this program is One Thousand Five Hundred Fifty Dollars and Twenty Cents ($1,550.20).

NOW THEREFORE, BE IT RESOLVED that the Seaside County Sanitation District's Board of Directors authorize the District Manager to execute the Memorandum of Understanding with the Monterey Regional Water Pollution Control Agency to participate in the Public Education Program for fiscal year 2016-2017.

PASSED AND ADOPTED at a regular meeting of the Seaside County Sanitation District duly held this 13th day of December 2016 by the following votes:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Ralph Rubio, Chair

ATTEST:

____
Lesley Milton, District Clerk

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 4.E.

TO:	Seaside County Sanitation District
FROM:	Craig Malin, District Manager
BY:	Rick Riedl, City Engineer
DATE:	December 13, 2016
SUBJECT:	**MEMORANDUM OF AGREEMENT WITH THE MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY FOR GREASE INSPECTION SERVICES**

PURPOSE

The purpose of this item is to have the District Board consider executing a Memorandum of Agreement (MOA) with Monterey Regional Water Pollution Control Agency (MRWPCA) for inspection services of food service establishments in support of the fats, oils and grease (FOG) Program.

RECOMMENDATION

It is recommended that the District Board authorize the District Manager to execute an MOA with Monterey Regional Water Pollution Control Agency for an amount not to exceed Forty Six Thousand Three Hundred Forty Eight Dollars ($46,348) to perform inspection services of food service establishments for the FOG Program.

BACKGROUND

The California Regional Water Quality Control Board issued Waste Discharge Requirements (WDR) Order No. R3-2002-0078 on November 6, 2002. This order requires all local sewage collection agencies tributary to Monterey Regional Wastewater Treatment Plant to set specific sewer collection system operation and maintenance requirements.

One component of the Order was to establish legal authority to limit the amount of fats, oils and grease (FOG) discharged into the collection system. On December 14, 2004, the District Board adopted a Grease Ordinance, Ordinance 15, which set forth the requirements for the installation and maintenance of grease traps, interceptors or other comparable devices for food service establishments (FSEs). Important elements of the Grease Ordinance include: legal authority to prohibit grease discharges, requirements to install grease removal devices, and authority to inspect grease producing facilities.

As stated within Ordinance 15, businesses are subject to inspection bi-annually, or more frequently as needed and to submit maintenance records to the District on an annual basis. The SCSD currently does not have the staff available with the necessary expertise to conduct bi-annual inspections of the approximately 180 grease producing facilities.

The proposed scope of services is to conduct inspections of approximately 180 grease producing facilities over two fiscal years. The inspections will assess compliance with the FOG Program. The scope of work anticipates approximately 20 re-inspections for businesses that are not compliant with program requirements. MRWPCA staff will make recommendations and provide assistance with non-compliant food service establishments.

It is recommended that the District Board adopt a resolution approving an MOA with the Monterey Regional Water Pollution Control Agency to conduct food service establishment inspections over two fiscal years for an amount not to exceed Forty-Six Thousand Three Hundred Forty-Eight Dollars ($46,348) and authorize the District Manager to execute the MOA.

FISCAL IMPACT

The proposed work is budgeted under account # 951-0-8820-8193, "FOG Program", with a current balance of $40,000. The work will be performed over two fiscal years and charges will not exceed fund balance of $40,000 per year.

ATTACHMENTS

1. MOA For Inspection Services
2. Resolution

Reviewed for Submission By:

____

Craig Malin, District Manager

MEMORANDUM OF AGREEMENT

INSPECTION SERVICES PROGRAM

THIS Memorandum of Agreement ("AGREEMENT"), is made and entered into this ____________________ day of _________________, 2016, by and between the MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY, hereinafter referred to as "AGENCY" or "MRWPCA," a Joint Powers Authority (JPA) organized under the laws of the State of California, and the SEASIDE COUNTY SANITATION DISTRICT, a county sanitation district of the State of California, hereinafter referred to as "ENTITY."

The AGENCY and ENTITY may also hereinafter be collectively referred to as "PARTIES" or individually as "PARTY," to form a Memorandum of Agreement for Inspection Services Program ("PROGRAM").

RECITALS:

1. The ENTITY has a requirement for assistance in implementing a grease source control program.

2. The AGENCY has the requisite skill, training and experience to properly perform the services specified herein.

3. The ENTITY desires to retain MRWPCA to provide the services as herein set forth.

NOW, THEREFORE, THE PARTIES HERETO FURTHER AGREE, AS FOLLOWS:

1. <u>Scope of Services</u>. MRWPCA shall provide services as described in the Scope of Services, attached as Exhibit "A" hereto.

2. <u>Commencement of Services</u>. MRWPCA will commence work on the services to be provided hereunder as soon as practicable upon execution of this AGREEMENT by the PARTIES hereto.

3. <u>Term</u>. This Agreement will take effect upon it being executed by the PARTIES. This AGREEMENT may be terminated at any time by any party upon giving 90 days' prior written notice to the other party. Once executed, this AGREEMENT may be amended to include new members following mutual written agreement of MRWPCA and notification to the ENTITY hereto.

4. <u>Compensation</u>. For the services to be performed under this AGREEMENT, the ENTITY shall compensate MRWPCA for the actual number of hours spent by MRWPCA staff on ENTITY's program, at the hourly rates as described in the Time and Cost Estimate (hourly rates subject to MRWPCA's current billable wage which consists of salary, benefits, and related administrative overhead rate, determined annually based on the MRWPCA Cost Allocation Plan), attached as Exhibits "B-1" hereto. Compensation shall be paid quarterly by the ENTITY upon receipt of a written statement of charges from MRWPCA.

5. Transportation and Equipment. MRWPCA shall, at its cost and expense, provide all transportation and equipment required for the performance of the services under this Agreement.

6. Hold Harmless. ENTITY agrees to indemnify, defend and hold MRWPCA, its agents, officers, harmless from and against any and all costs, expenses or liability incurred as a result of any claim, suit, lien or other legal proceeding resulting from ENTITY's negligent performance or willful misconduct in the performance of this AGREEMENT. Provided, however, that MRWPCA shall not be reimbursed for worker's compensation costs attributed to injuries or death arising out of ENTITY's performances hereunder.

MRWPCA agrees to indemnify, defend and hold ENTITY, their agents, officers, harmless from and against any and all costs, expenses, or liability incurred as a result of any claim, suit, lien or other legal proceeding resulting from MRWPCA's performance or misconduct in the performance of this Agreement. Provided, however, that ENTITY shall not be reimbursed for worker's compensation costs attributed to injuries or death arising out of MRWPCA's performances hereunder.

With respect to costs, expenses or liability by or with respect to third parties which arise from the joint or concurrent performance of the ENTITY and MRWPCA, each party shall assume full responsibility in proportion to the degree of its respective fault.

Each Party shall have rights to any immunities it is entitled to. In no event shall any duties contained in this Agreement, negate any legal protections or immunities available to the Parties under local, state or federal law.

7. Skill of Employees. MRWPCA shall ensure that any employees or agents providing services under this Agreement possess the requisite skill, training and experience to properly perform such services.

8. Workers' Compensation Insurance. MRWPCA shall, at its cost and expense, at all times during the performance of services under this Agreement, maintain in force and effect workers' compensation insurance on any and all of its employees working pursuant to this Agreement in an amount not less than the statutory required minimum.

9. Independent Contractor. The parties agree that MRWPCA shall be an independent contractor with regard to the providing of services under this Agreement, and that MRWPCA's employees or agents shall not be considered to be employees or agents of the ENTITY for any purpose and will not be entitled to any of the benefits ENTITY provides for its employees.

10. Compliance With Laws. MRWPCA, its employees, agents and sub-contractors shall comply with all applicable state, federal and local safety regulations while performing services pursuant to this AGREEMENT.

11. Dispute Resolution.

a) Dispute resolution procedure. If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first seek to resolve the dispute in accordance with this Agreement. If a dispute concerns any amounts to be paid to MRWPCA by ENTITY, then ENTITY shall pay the amount demanded on time, under protest, notwithstanding that ENTITY has commenced or proposes to commence the dispute resolution procedures specified herein. The pendency of a dispute shall not excuse MRWPCA from full and timely performance in accordance with the terms of this agreement.

b) Duty to meet and confer. If any dispute under this Agreement arises the PARTIES shall first meet and confer in a good faith attempt to resolve the matter between themselves. Each PARTY shall make all reasonable efforts to provide to the other party all the information that the party has in its possession that is relevant to the dispute, so that both parties will have ample information with which to reach a decision.

12. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the matters covered by this Agreement, and no other agreement, statement or promise made by or to any party or by or to any employee, officer or agent of any party, which is not contained in this Agreement shall be binding or valid.

13. Interpretation. This Agreement has been negotiated by and between the representatives of both parties. Accordingly, any rule of law (including Civil Code §1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purpose of the parties and this Agreement.

14. Modification. This Agreement is not subject to amendment or modification except by a writing signed by the parties hereto.

15. Attorney's Fees. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

16. Insurance. AGENCY shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this agreement.

IN WITNESS WHEREOF, the PARTIES hereto have executed this AGREEMENT as of the dates shown below

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY, a Joint Powers Authority and public agency of the State of California

Date: 12/5/16

By: ______________________
Chair, Board of Directors

By: ______________________
General Manager

APPROVED AS TO FORM:

By: ______________________
Legal Counsel

ATTEST:

Date: 12/5/16

By: ______________________ Board Clerk

SEASIDE COUNTY SANITATION DISTRICT, a county sanitation district

By:

____
Craig Malin, District Manager

Date: ______________________

ATTEST:

____
Lesley Milton-Rerig, District Clerk

APPROVED AS TO FORM:

____
Jesse Avila, Legal Counsel

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EXHIBIT A
SCOPE OF SERVICES
REGIONAL INSPECTION SERVICES PROGRAM:
GREASE SOURCE CONTROL

Inspection Services

- Prepare/Distribute notification letters
- Miscellaneous program management and administration

Inspections

Fats, Oils, and Grease (FOG) Inspections

- Complete FOG Inspections for food-service facilities
- Identify for the Entity what equipment (if any) is installed, determine if current equipment is up to code and/or Entity standards, and size facility for correct equipment (if necessary)
- Fill out restaurant inspection forms and distribute hand-out materials
- Check maintenance log sheets
- Answer program questions

Compliance Re-Inspections

- Conduct inspection to ensure proper installation of equipment
- Draft letters for the Entity which identify additional requirements or corrective actions as required

City Compliance Issues

- Notify Entity of any compliance issues that are developing or occurring
- If requested, provide input to Entity Personnel on appropriate compliance action to take
- Draft any violation letters for the Entity that become necessary
- Attend any non-compliance/show-cause meetings between business owners and the Entity, in an information capacity at the Entity's request
- Attend and testify at court hearings, if necessary, to facilitate business owner compliance

Exhibit B - 1
City of Seaside
Food Prep Grease / Storm Water Inspection Program
Time & Cost Estimate -2 Year Program

MRWPCA (Contractor)		Hourly Rate	Total Program Hours	Total
Item 1 -	Grease Program Inspection Cycle (180)			
	Source Control Supervisor	$ 112.92	24	$ 2,710.08
	Source Control Inspector	$ 87.68	360	$ 31,564.80
Item 2 -	Storm Water Program Inspection Cycle (0)			
	Source Control Supervisor	$ 112.92	0	$ -
	Source Control Inspector	$ 87.68	0	$ -
Item 3 -	Compliance Issues / Meetings / Reinspections (20)			
	Source Control Supervisor	$ 112.92	12	$ 1,355.04
	Source Control Inspector	$ 87.68	44	$ 3,857.92
Item 4 -	Quarterly Billings			
	Customer Service Supervisor	$ 101.86	8	$ 814.88
Sub-Total				$ 40,302.72
Overhead @ 15%				$ 6,045.41
Total				$ 46,348.13

Notes:

Hours based on 180 Grease Inspections and No Storm Water Inspections conducted during this cycle.
Salaries based on previous salary schedule for FY 15/16.

EXHIBIT C
AGREEMENT FOR CONSULTANT SERVICES

INSURANCE REQUIREMENTS[1]

Prior to the beginning of and throughout the duration of the Work, Agency will maintain insurance in conformance with the requirements set forth below. Agency will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Agency agrees to amend, supplement or endorse the existing coverage to do so. Agency acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Agency shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than $2,000,000 per occurrence, and $4,000,000 in aggregate.

Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than $1,000,000 per accident. If Agency owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Agency or Agency's employees will use personal autos in any way on this project, Agency shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000 per accident or disease.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum $25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Agency, subAgencys or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than $1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Agency and "Covered Professional Services" as designated in the policy must specifically

[1] "Agency" refers to the Monterey Regional Water Pollution Control Agency. "City" includes the Seaside County Sanitation District.

include work performed under this agreement. The policy limit shall be no less than $1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Best's rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Agency. Agency and City agree to the following with respect to insurance provided by Agency:

1. Agency agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Agency also agrees to require all contractors, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Agency, or Agency's employees, or agents, from waiving the right of subrogation prior to a loss. Agency agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.

3. All insurance coverage and limits provided by Contractor and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Agency shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Agency's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement

and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Agency or deducted from sums due Agency, at City option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Agency agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Agency or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to City.

10. Agency agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Agency, provide the same minimum insurance coverage required of Agency. Agency agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Agency agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.

11. Agency agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Agency's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Agency, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Agency ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Agency, the City will negotiate additional compensation proportional to the increased benefit to City.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Agency acknowledges and agrees that any actual or alleged failure on the part of City to inform Agency of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.

15. Agency will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.

16. Agency shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Agency's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Agency under this agreement. Agency expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Agency agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Agency for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

Agency agrees to provide immediate notice to City of any claim or loss against Agency arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

RESOLUTION NO. 16-___

A RESOLUTION OF THE SEASIDE COUNTY SANITATION DISTRICT AUTHORIZING THE DISTRICT TO ENTER INTO AN AGREEMENT WITH MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY (MRWPCA) FOR INSPECTION SERVICES OF FOOD SERVICE ESTABLISHMENTS FOR THE GREASE SOURCE CONTROL PROGRAM FOR AN AMOUNT NOT TO EXCEED FORTY SIX THOUSAND THREE HUNDRED FORTY EIGHT DOLLARS ($46,348)

WHEREAS, the Seaside County Sanitation District was issued a Waste Discharge Requirements Order No. R3-2002-0078 which required all local sewage collection agencies tributary to Monterey Regional Wastewater Treatment Plant to set specific sewer collection system operation and maintenance requirements; and

WHEREAS, one component of this Order was to establish legal authority to limit the amount of grease, fats, and oils discharged into the collection system; and

WHEREAS, on December 14, 2004, the District Board adopted a Grease Ordinance that set for policies, procedures and requirements for food service establishments governing the installation maintenance, and use of grease traps, grease interceptors or other comparable devices; and

WHEREAS, the District does not have the staff with the expertise to conduct inspections on grease producing facilities; and

WHEREAS, Monterey Regional Water Pollution Control Agency can provide staff with the required expertise to perform inspections necessary for the Grease Source Control Program,

NOW, THEREFORE BE IT RESOLVED, that the Seaside County Sanitation District authorizes the District Manager to execute an agreement with the Monterey Regional Water Pollution Control Agency to implement a two year inspection program of food service establishments for the Grease Source Control Program for an amount not to exceed Forty Six Thousand Three Hundred Forty Eight Dollars.

PASSED AND ADOPTED at a regular meeting of the Seaside County Sanitation District duly held on the 13th day of December, 2016 by the following vote:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:
ABSTAIN: BOARD MEMBERS:

____
Ralph Rubio, Chair

ATTEST:

____
Lesley Milton-Rerig, District Clerk

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 5.A.

TO:	Seaside County Sanitation District
FROM:	Craig Malin, District Manager
BY:	Rick Riedl, City Engineer Daphne Hodgson, Deputy City Manager Administrative Services
DATE:	December 13, 2016
SUBJECT:	**SEWER USER FEES RATE STUDY**

PURPOSE

The purpose of this item is to consider the draft rate study for the sewer user fees and provide direction on finalizing the sewer rate study.

RECOMMENDATION

It is recommended that the Board receive the draft rate study and direct staff on finalizing the rate study for sewer user fees.

BACKGROUND

Seaside County Sanitation District ("District") is a special district responsible for the maintenance and operation of the sanitary sewer collection system serving the cities of Del Rey Oaks, Seaside and Sand City. In February of 2016 District authorized David Taussig & Associates, Inc ("DTA") to provide a sewer rate study. The rate study serves as an update to a previous rate study provided by DTA to the District that was adopted by the District's Board in 2011.

This rate study is intended to provide a recommended five year rate program. In accordance with the California Constitution, this study is based upon the cost of providing services for a 15-year horizon. The 15-year horizon was selected in order to demonstrate the District's ability to fund key capital improvements identified in the District's Capital Improvement Program ("CIP.").

The recommended rate program in this study demonstrates that projected revenues can match the revenue requirements of the District over the 15 year study period. The method used in this analysis is an annual cash flow analysis, or "Cash-Needs" approach and borrowing, which match revenues to revenue requirements to fund ongoing operations and maintenance (O&M) and debt service requirements for the District's Capital improvement Program and Capital Outlay Program.

REVENUE

The District currently has over 40 customer classes each of which is charged a sewer rate based upon the anticipated sewer flows. For the purposes of this study, an equivalent development unit ("EDU") method is used to summarize the total annual sewer flows from each customer class. An EDU for a customer class is the ratio of estimated sewer generation of each customer class as compared to the estimated sewer generation of a residential unit. The total of all EDUs within the District is then multiplied by the sewer rate per EDU to estimate the total annual revenue from sewer rates.

Property taxes are another source of revenue to the District. For the District, interest income from financial assets and income bearing real property are insignificant.

The recommended rate program in this study incorporates the District's current policies related to allocation and use of funds;Resolution 215, Capital Outlay Fund - requires 5% of annual operational fund to be transferred to a fund for purchase or replacement of equipment, Resolution 216, Capital Improvement Fund - requires 10% of annual operating fund to be transferred to a fund for Capital Improvements, Resolution 217, Insurance Reserve Fund - requires that a fund balance of $15,000 be maintained through contributions from the operating fund, for resolution of potential claims.

REVENUE REQUIREMENTS

In order for the District to provide sewer collection services to its customers, all costs related to delivering such service must be funded by the various sources of revenue mentioned above. The cost components that place requirements on revenue sources include Operations and Maintenance, maintenance of reserve balances, capital outlay, capital improvements and debt service and insurance. These components must all be funded from annual revenues.

For the purposes of this study District staff provided a summary of components of the District's annual O&M budget for the beginning year, which includes labor, materials, energy costs, and ongoing program costs. Cost for subsequent years are adjusted for inflation.

It is anticipated that the District will maintain a $200,000 rate stabilization reserve fund, a $15,000 insurance reserve fund and a $500,000 operating fund reserve. These balances will be maintained through contributions from operating revenue, if needed.

District staff and staff from the Wallace Group (an engineering sub-consultant to DTA) provided the Capital Improvement Program for this study that provides project programing including time line and costs associated with capital improvements and capital outlay which will be funded through operating revenues and debt. Future capital costs are escalated by 3% per annum based upon the average increase in the historic Engineering News Record (ENR) construction cost index for San Francisco.

FINANCIAL MODEL

In order to analyze the above data and recommend a viable and reasonable rate and debt structure, a spread sheet analysis is used to model existing and projected revenues and revenue requirements ("Model"). Study Year 0 (2015-2016) contains actual cost data and was chosen as the base year from which projections of revenues and costs are computed. Projected revenues and costs are used to estimate annual net operating revenue before debt service. Where debt is used to help fund capital improvements, the net operating revenue is calculated after deducting debt service. The net revenue, calculated by deducting both debt serviceand O&M costs, is then contributed to the CIP fund. The annual CIP fund balance is calculated by subtracting from the beginning fund balance for each year the use of funds from the CIP timeline, and the fund balance is increased each year by contributions from the operating fund, interest on balances and debt (bond) issuance.

For purposes of this analysis, it is assumed that the District will issue sewer revenue bonds to fund improvements. Based on a review of actual recent sewer revenue bond issues, the study assumes that:
5.00% interest rate and 30-year bond term applies to each bond issuance. The Reserve Fund Requirement is equal to the maximum annual debt service, which is approximately 6.5% of the total bond issue. The costs of issuance is 5.00% of the total bond issuance since the bond issue amounts are relatively small. As the bond amount increases, the percentage of the total bond attributable to costs of issuance typically goes down. A minimum annual debt service coverage ratio of 125% is maintained, which is based on the net operating revenue divided by debt service.

The study assumes the following factors remain fixed throughout the 15-year model horizon: O&M inflation; property tax increase rate; CIP inflation; fund balance interest rate; bond coupon rate; bond term; bond reserve requirement; bond cost of issuance.

ALTERNATIVES:

A rate model was generated in order to evaluate the use cash only from rates (pay-as-you-go) to fund all required costs. In order to implement the CIP in a timely manner, the rates would escalate more than 22% in early years and then decrease in later years. Considering that current rate payers would be unfairly burdened with a rate increase for capital improvements that would last for many years into the future, the pay-as-you-go rate model was determined unacceptable. Therefore rate models considering the use of debt financing were created. Two alternatives were analyzed in order to evaluate an equitable combination of rate increases and debt issuance:

Rate model Alternate 1 assumes that all of the CIP projects will be funded using rate increases and debt financing. Using an annual rate increase of 5% and three bond issuances of approximately $4.6Million each (or $13.8 Million total) in fiscal years ending2019, 2022 and 2025, sufficient CIP fund balances will be available in each study year to fund the projects identified in the CIP project timeline. This alternative uses the maximum total bond indebtedness as determined by the capacity of the rate revenue to meet debt service requirements.

Rate model Alternate 2 assumes that most of the CIP projects will be funded using rate increases and debt financing. This study fixes the annual rate increase at 3% and issues the maximum bond capacity of $10,500,000. Bonds are issued in fiscal years ending 2019, 2022 and 2025. However, some projects are either delayed or deferred beyond the 15-year study period in order to hold the rate increase to 3 percent per annum. This alternative shows that approximately $17.3M of the $23.6M CIP program is funded through rate revenue and bonded indebtedness. Therefore, staff does not recommend that this rate model be considered for implementation as it does not adequately fund the proposed CIP.

STAFF ANALYSIS

The attached graph labeled “Sewer Rate Alternatives” shows the proposed rates for the 15-year horizon for the two alternatives described above. The current user fee collected by the District for a single family residence (aka sewer rate) is $12.94 per month. Under Alternative #1, the rate for a single family residence would increase on about July 1, 2017 to $13.59 per month, or 5% increase. Under Alternative #2, the rate would increase on about July 1, 2017 to $13.33 per month, or 3% increase. Similarly, the rate would increase to $16.52 and $15.00, for Alternatives #1 and #2, respectively, after five years.

The attached graph labeled “Comparison of Monthly Wastewater Rates” shows the proposed rate for a single family residence for next fiscal year as compared to other districts in the area. The graph also shows the amount collected by the Monterey Regional Water Pollution Control Agency (MRWPCA). Therefore, the total fee to a single family residence would be the proposed fee plus the MRWPCA fee and any other charges that the districts may impose.

It is recommended that the District direct staff to finalize the rate study in accordance with Rate Model Alternative #1, above, or providing additional direction on a preferred method for financing the District. Rate Model Alternative #1 is the recommended financing method as it would allow all of the proposed health-and-safety related near term capital projects to be completed within the five-year planning horizon and that all of the proposed capital projects be completed within the fifteen year planning horizon.

NEXT STEPS

Staff will finalize the rate study with the preferred alternative financing model and prepare a schedule of proposed rates for all customer classes for review and approval by the Board.

CEQA Requirements:
In accordance with Title 14, California Code of Regulations, Chapter 3, Article 18 (Statutory Exemptions), this study is considered a planning study and therefore adoption of this document is exempt from the requirements to prepare environmental studies.

FISCAL IMPACT

There is no fiscal impact in considering the proposed rate study.

ATTACHMENTS

1. Graph of Sewer Rate Alternatives
2. Comparison of Monthly Wastewater Rates

Reviewed for Submission By:

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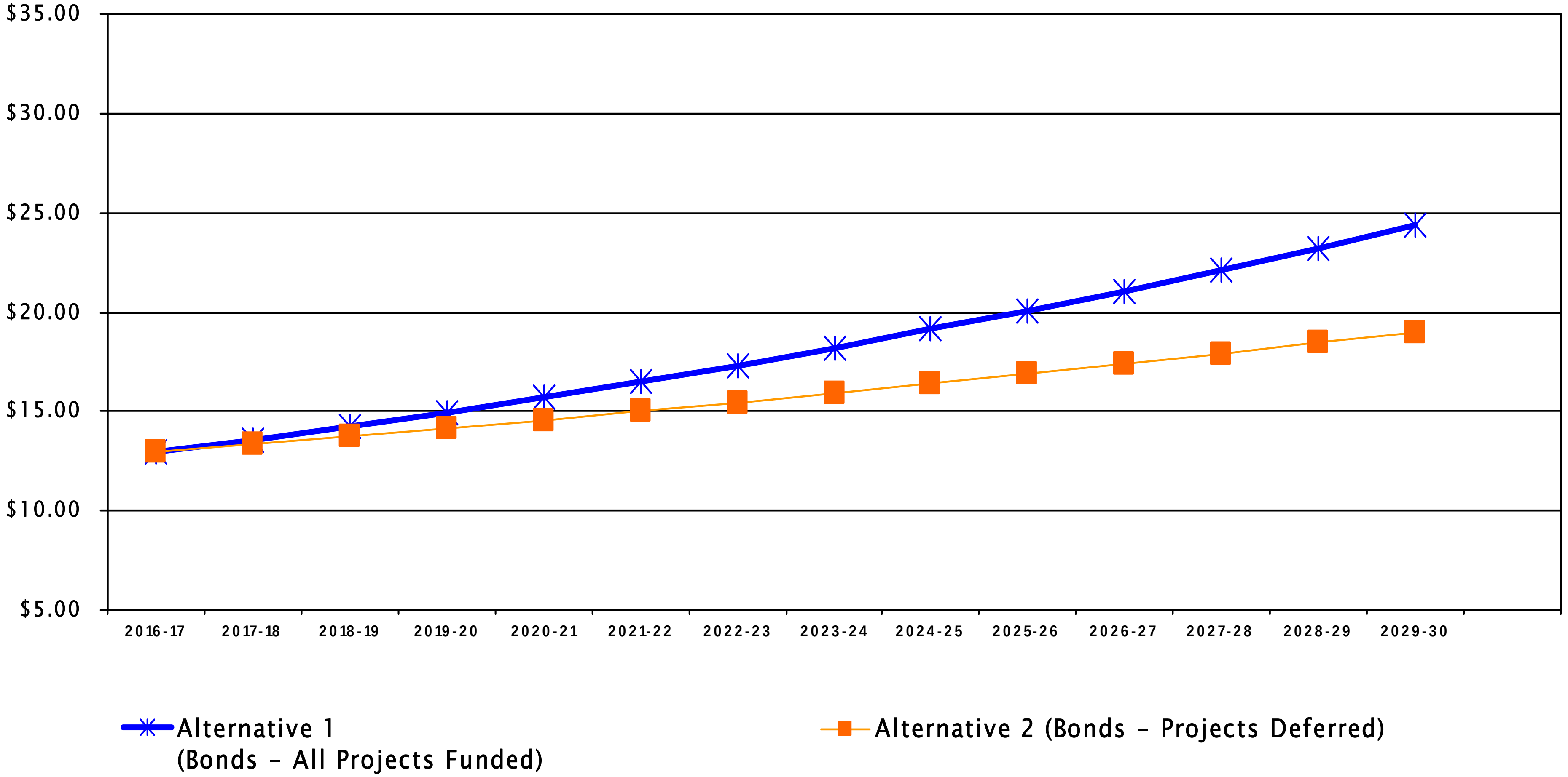
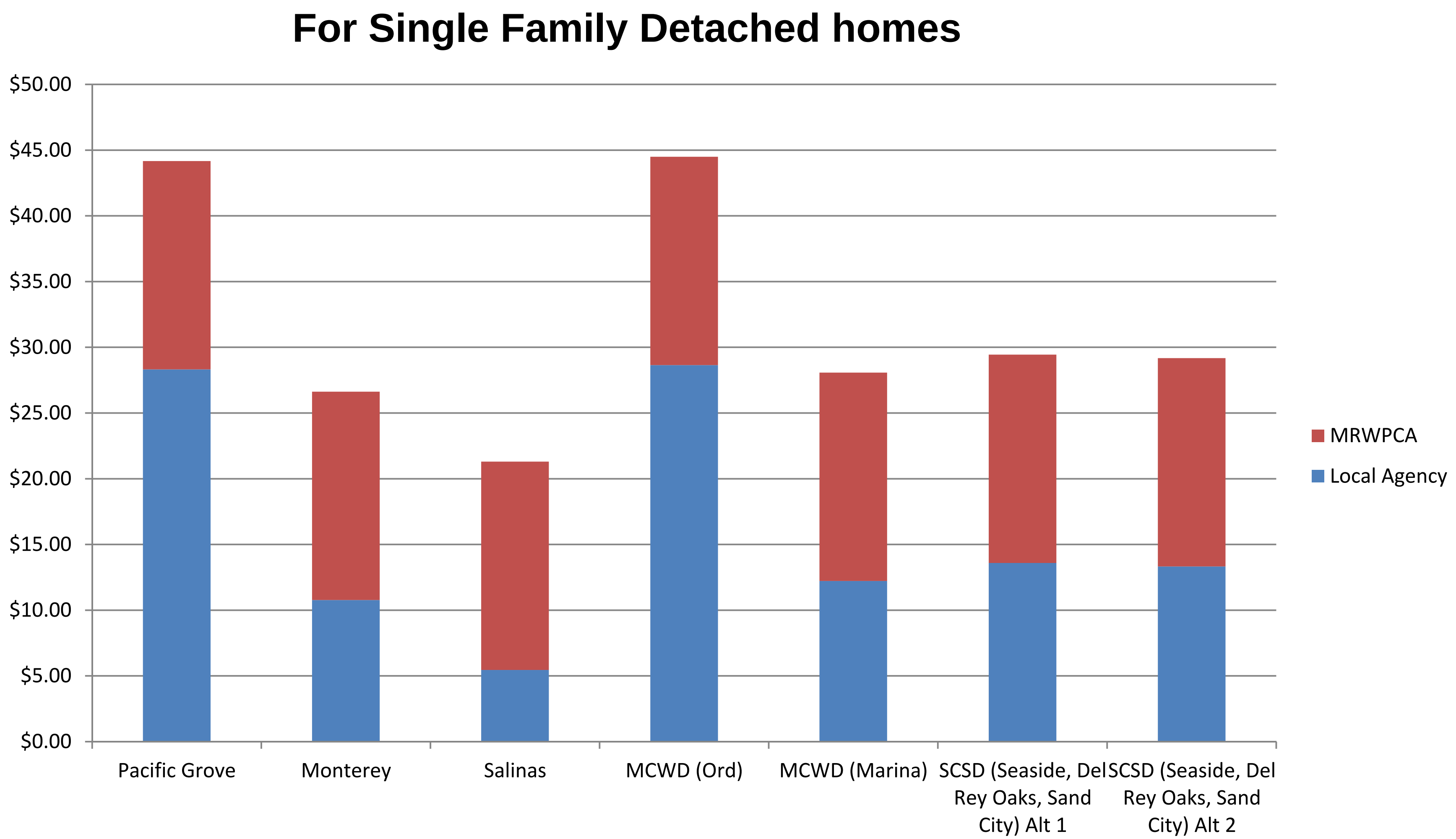
Craig Malin, District Manager

Sewer Rate Alternatives



2

Comparison of Monthly Wastewater Collection Rates



Alt 1 rate for SCSD shown above is based on FY 17-18 rate of $13.59 per SFD.
Alt 2 rate for SCSD shown above is based on FY 17-18 rate of $13.33 per SFD.