

October 18, 2018

TO: LOCSD Board of Directors

FROM: Renee Osborne, General Manager
Jose Acosta, Utility Systems Manager

SUBJECT: **Agenda Item 12B – 11/1/2018 Board Meeting**
Discussion Regarding Bayridge Estates Septic Tank
Decommissioning Process



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DESCRIPTION

Discussion of Bayridge finances, cleaning, and decommissioning of 10 septic tanks at the wastewater septic location.

COMMITTEE RECOMMENDATION

Motion: I move that the Committee recommend to the Board that the excess and the reserve Bayridge funds be used towards the decommissioning of the Bayridge Estates septic tanks and that the remaining costs be covered with an internal loan from the Water Reserves until 2018-2019 fiscal year closes and the fund can be reimbursed.

SUMMARY/HISTORY

In November of 2017, Frank Asuncion, Water Resource Crew Leader, reported that we still had approximately 10 septic tanks in need of disposal at the Bayridge Estates wastewater septic tank site. Each tank contains 5,000 gallons of waste product.

Bayridge Estates wastewater septic system was removed from service once all Bayridge Estates residents were connected to the County sewer collection system; this occurred in May of 2016. The tanks were isolated and sitting with the waste since this time.

The District had initially contracted with AI's Septic Service in an attempt to begin the pumping of the tanks in January and August of 2016. At that time, one tank was pumped and cleaned on each of these dates. The initial plan with AI's Septic Service was to pump out one to two tanks per year until all tanks were emptied. This plan seemed to be the most reasonable both in terms of efficiency and economically with the minimal budget in the Bayridge fund (200 fund) and with the County not giving the District a deadline as to when all tanks should be emptied.

After the initial two tanks were pumped and the workload and manpower spent by AI's Septic Service, AI's decided they were no longer interested in pursuing this project.

DISCUSSION

Staff immediately began looking into cost estimates in order to get this project moving in an efficient manner. As this is a project that MUST be completed, staff initiated the process of requesting and receiving quotes and contacting septic sludge hauling service companies. Below is a list of sludge hauling service companies Crew Leader Asuncion contacted and their responses:

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 102
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

lososocsd.org

- North County Septic (not interested)
- Ingram & Greene (not interested)
- Valley Septic (not interested)
- Clay's Septic (not interested)
- Pumping 4 Less (not interested; not enough manpower)
- Advanced Septic (not interested)
- Al's Septic Service (initially contacted 3 times; no response; partially not interested)
- Superheroes Pumping (not interested; not enough manpower)
- Barks Septic (not interested; affiliated with Clay's Septic)

In May 2018, District staff received a few more leads from Grace Environmental Services, with contact information for contractors from outside our county area. Jose Acosta, District Utility Systems Manager, had begun making direct contact with these companies. Below are their responses or status:

- Liberty Composting – They declined, stating they do not accept this septic product.
- Speeds – Met with company representative on site in May. They have submitted a quote. (see below)
- ACT Environmental – Met with company representative on site in May. They have submitted a quote. (see below)
- Al's Septic Service – Submitted a quote, to only dispose of liquids, no solids pumping.
- National Plant Services – Declined, they are no longer in the transport or disposal business.
- Patriot Environmental Services – Met with company representative on site in August. Never received a quote, after requesting several times.
- Senesac – They no longer perform septic tank pumping.

Staff has struggled to find a contractor that will pump the tanks, the biggest issue and concern is finding a disposal site or wastewater plant that will take the expired sludge. No entity in San Luis Obispo County nor Santa Maria Wastewater Plant will take the expired sludge. Based on the feedback and advice of the companies who have responded, they are considering this product hazardous waste.

We have received two quotes from contractors out of the area that will pump, haul and dispose of the hazardous waste.

- ACT Environmental – Attached is the quote for \$108,000. This estimate is based on the field observations and dumping costs at a location they have to dispose of the product.
- Speed's – Attached is the quote. The costs are broken down into an hourly rate for time and materials, disposal costs, and travel times required to complete this project.

As of the 2016-2017 Audit, Bayridge (Fund 200) has \$33,206 in reserves, and will have approximately \$41,693.40 after Admin allocation transfer and loan payment to the Water Fund at the close of the 2017-2018 budget. Staff is suggesting that the reserve funds and the 2017-2018 excess funds be set aside for the tank decommissioning project. Since there is no monthly spending in this fund other than lighting, Fund 200 should have the same approximate amount remaining after the 2018-2019 fiscal year which should pay for the costs of the decommissioning of the tanks. A temporary loan would be needed until the end of the 2018-19 fiscal year.

This report was presented to the Utility Advisory Committee (UAC) at their October 17, 2018 meeting, staff reported the possibility of one more bid being submitted soon and UAC recommended staff continue progress on this project and present to FAC for review and recommendations. Staff will provide the Board with a verbal update of FAC's discussion and recommendation.

FINANCIAL IMPACT

The decommissioning of the Bayridge Estates tanks should be able to be paid by Fund 200's reserves from 2016-2017 budget, 2017-2018 budget and 2018-2019 budget. The fund should only need a temporary loan that could be paid back by the end of the 2018-2019 fiscal year.

Attachments



May 21, 2018

Mr. Jose Acosta
 Utility Systems Manager
 Los Osos CSD
 2122 9th St. Suite 102
 Los Osos, Ca 93402

Proposal #: 05212018-MPO

Dear Mr. Acosta:

ACT is pleased to submit this proposal to contract services for your review and approval. ACT will provide requested environmental services including one or more of the following: consulting services, chemical relocations, chemical waste packaging, biological waste packaging, radioactive waste packaging, transportation, and disposal of packaged waste. An estimated cost for services appears below. Modifications to the pricing estimate, or additions to the scope of work which require pricing changes, will be included (as needed) in the form of an addendum titled Revised Pricing Schedule.

WASTE DESCRIPTION	COST	PRICE
Per Tank , total of 10 tanks	\$10,800.00	\$108,000.00
TANK CLEANING PROJECT		

ENERGY,
 INSURANCE &
 RECOVERY FEE*

DESCRIPTION	PRICE
	8 % Additional Fee on Invoice Costs

* As Reported by US Energy Information Administration for California at <http://www.eia.doe.gov/oog/info/wohdp/diesel.asp>



SCOPE OF WORK

Pumping and cleaning of 10 septic tanks for abandonment. Under the direction of Los Osos Community Services District, vacuum/pump out up to 5,000 gallons with >10% allowable variance from each septic tank to remove sludge and debris accumulation. Haul all sludge to authorized disposal facility. Pressure wash each septic tank to include labor and operated Rental of hydrojetter vacuum/pressure tank truck and water nurse tender. Los Osos CSD to provide water source.

Price includes all labor, personnel, and equipment required to complete above tasks. Price is flat rate based on field observations and testimony from Los Osos CSD personnel regarding general conditions, total volume to be removed and logistical issues. If conditions warrant price could change after consultation of said conditions. Price assumes work (each tank) to be done concurrently and or sequentially without multiple start ups. If the Los Osos CSD requires separate servicing dates for their purposes, a re-mobilization fee of \$5,400.00 will apply subsequent time after the initial start up. If vendor is required to re-mobilize due to its own internal logistics, personnel or other unforeseen circumstances or challenges no re-mobilization fee will be incurred. Equipment used will be a 40bbl vacuum truck, 4000 psi/20gpm flusher trailer and 2- 130 bbl vacuum semi Trailers. 3-4 days will be needed to accomplish above mentioned tasks.

This quote is not based on prevailing wage.

Upon acceptance of this, the parties agree to be bound by the terms of the attached Service Agreement. The parties understand that the terms of this agreement and the terms of the Service Agreement make up the entire contract of the parties.

ACT appreciates your confidence in our abilities. Should you have any questions or if we can be of further service, please do not hesitate to contact us.

Sincerely,

Michael Przewoznik
Account Manager



SERVICE AGREEMENT

1.0 GENERAL PROVISIONS

- 1.1 ACT is a corporation engaged in the business of environmental management, including, but not limited to, the packaging, transportation and disposal of hazardous waste; general and specific environmental, health and safety compliance; chemical relocations; radiological waste management; biological waste management; facility decontaminations; and on-site staffing of environmental professionals.
- 1.2 Upon acceptance of the agreement, the parties agree to be bound by the terms of the Service Agreement. The parties understand that the terms of the agreement and the terms of the Service Agreement make up the entire contract of the parties.
- 1.3 ACT carries all permits and authorizations required to perform work for CUSTOMER.
- 1.4 The term of the agreement shall be for specified project listed in this proposal.
 - 1.4.1 Either party may terminate this agreement with or without cause by giving 90 days written notification to the other party.
 - 1.4.2 CUSTOMER understands and agrees that early termination of the Contract will cause financial hardship to ACT, and CUSTOMER agrees to pay a cancellation fee, which shall be the sum of previous three (3) month's invoice totals associated with any work performed by ACT for CUSTOMER.

2.0 LAWFUL COMPLIANCE IN PERFORMANCE OF WORK

- 2.1 ACT and CUSTOMER agree to comply with all applicable federal, state and local laws and ordinances and lawful orders, rules and regulations of any constituted authority that may pertain to the generation, collection, transportation, handling, storage or disposal of any of CUSTOMER'S waste. ACT and CUSTOMER have obtained all necessary permits, licenses and other forms of documentation required to perform their respective obligations hereunder and, upon request of the other party, each shall furnish copies thereof to such other party. CUSTOMER shall obtain generator EPA identification numbers and promptly notify ACT of such EPA identification numbers and any changes thereto. As it pertains to the transporting of the waste material, ACT, is acting as a common carrier and in no other capacity. ACT will not accept improperly identified and/or unidentified material for packaging, transportation and/or disposal.
- 2.2 CUSTOMER warrants that it is under no temporary or permanent injunction, administrative or court order or writ, which would prohibit or constrain the transportation, treatment, storage and/or disposal of such wastes by ACT in any manner whatsoever.

3.0 OWNERSHIP AND TITLE OF WASTE

- 3.1 CUSTOMER warrants that it holds clear title to all the wastes to be packaged, transported, treated, stored and or disposed of as part of the work. CUSTOMER assumes responsibility, without limitation, as "Generator" (as defined in the applicable statutes and/or regulations) for compliance with the Resource Conservation and Recovery Act, 42 USCA, section 6901, et seq., (hereinafter "RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et seq., (hereinafter "CERCLA") and any federal, state or local statute, ordinance, treaty or regulation that applies to "Generators" or entities responsible for the creation of a hazardous waste or release thereof.



3.2 Nothing contained within this Contract shall be construed or interpreted as requiring ACT to assume the status of "Generator" as that term appears in RCRA, CERCLA, or any federal, state or local statute or ordinance or any treaty governing the generation, treatment, storage, transportation and disposal of waste, such as, without limitation, the Hazardous Waste Control Act and the Carpenter-Presley-Tanner Hazardous Substance Account Act.

4.0 INSURANCE

4.1 ACT maintains insurance at or above the required levels required by governing agencies for work performed for CUSTOMER.

4.2 Certificates of insurance will be provided upon request.

5.0 WASTE DISPOSAL

5.1 CUSTOMER shall approve of the disposal facility to which the waste shall be taken. CUSTOMER acknowledges and agrees that CUSTOMER alone has reviewed and approved of the place of disposal, as indicated by CUSTOMER'S signature on relevant shipping documents.

6.0 NON-CONFORMING WASTE

6.1 CUSTOMER understands that waste pricing is highly dependent on the constituents, and percentage of constituents, of the waste. CUSTOMER warrants that all wastes which may be serviced pursuant to this agreement shall materially conform to the WASTE DESCRIPTIONS in the Proposal, which were provided to ACT by CUSTOMER.

6.2 If CUSTOMER ships waste outside of the parameters set forth in the waste's profile, CUSTOMER understands additional charges may result, and agrees to pay the additional charges related to the packaging, transportation and disposal of the non-conforming waste.

7.0 PRICING AND COMPENSATION

7.1 CUSTOMER agrees to compensate ACT pursuant to the parameters set forth in this agreement. ACT will invoice CUSTOMER as each stage of the project is completed.

All invoices are due net thirty (30) days from date of issuance. ACT reserves the right to charge a 1½% finance charge per month for balances past due thirty (30) days.

7.2 Pricing may be modified to (a) include pricing for new services and/or (b) adjust current pricing for existing services. If the pricing is modified, ACT shall provide CUSTOMER a Revised Pricing Schedule, which shall become effective upon date of receipt, indicated by signature of CUSTOMER.

8.0 INDEMNIFICATION

8.1 ACT agrees, to the fullest extent permitted by law, to indemnify and hold harmless CUSTOMER from and against any liabilities, damages, and/or costs (including reasonable attorney's fees and cost of defense) arising out of the death or bodily injury to any person, or the destruction or damage to any property, to the extent caused, during performance of services under this Contract, by the negligent acts, errors and/or omissions of ACT or its officers, directors, principals, or employees, subject to the limitations set forth in the Section 9.0 (Limitation of Liability) of this Contract.



8.2 CUSTOMER agrees, to the fullest extent permitted by law, to indemnify and hold harmless ACT, its officers, directors, principals and employees, from and against any liabilities, damages, and/or costs (including reasonable attorney's fees and cost of defense) arising out of the death or bodily injury to any person, or the destruction or damage to any property, to the extent caused, during performance of services under this Contract, by the negligent acts, errors or omissions of the CUSTOMER or CUSTOMER'S contractors, consultants or anyone for whom CUSTOMER is legally responsible.

9.0 LIMITATION OF LIABILITY

9.1 To the fullest extent permitted by law, the total liability of ACT and its officers, directors, principals, employees, and any of them, to CUSTOMER, and anyone claiming by or through CUSTOMER, for any and all claims, losses, costs or damages, including attorneys' fees and costs and expert-witness fees and costs of any nature whatsoever, or claims or expenses, resulting from or in any way related to work performed for CUSTOMER, shall not exceed the total compensation received by ACT under this agreement, or the total amount of \$10,000 (Ten Thousand Dollars), whichever is less, except for ACT's willful misconduct. It is intended that this limitation apply to any and all liability or cause of action, including ACT's negligent acts, errors and/or omissions, however alleged or arising, unless otherwise prohibited by law, and unless otherwise provided in this section.

9.2 CUSTOMER acknowledges and understands the inherent difficulty in packaging and moving materials in chemical relocation projects. Examples may include, but are not limited to, chemicals, media, live stock cultures, refrigerated material, research compounds and/or pharmaceutical related material. If any damage occurs to the materials during the packaging, shipment, unpacking and placement of the materials, CUSTOMER agrees to submit claims only for the replacement value of the materials, and in no circumstance shall such claim(s) exceed \$5,000 per project. CUSTOMER understands and agrees that \$5,000 is the maximum allowed claim for the replacement and damage of materials under this Contract, and that all other damage and/or replacement claims are hereby waived by CUSTOMER.

9.3 All materials with a value in excess of \$1,000 shall be identified to the ACT project manager. Any items damaged by ACT during relocation will have a maximum combined liability not to exceed \$1,000 unless identified to the ACT project manager in advance of start of work.

10.0 INDEPENDENT CONTRACTORS

10.1 CUSTOMER understands and acknowledges, and ACT hereby agrees that this agreement shall not render the agents of ACT as employees of CUSTOMER for any purpose. The agent of ACT is and will remain an agent of ACT in his or her relationship to CUSTOMER. Consequently, CUSTOMER shall not be responsible for withholding taxes with respect to the agent's compensation. The agent shall have no claim against CUSTOMER hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.

11.0 RESTRICTIVE COVENANT CONVERSION/RITE TO HIRE

11.1 If CUSTOMER wishes to hire or otherwise engage an ACT employee as an employee, consultant, independent contractor, or in any other way utilize a person employed by ACT, or hire, contract or in any other way utilize a person employed by ACT within the previous 3 years of the date of said hiring, contracting or utilization, CUSTOMER agrees to pay ACT a personnel acquisition fee equal to one year (2060 Hours) of the individual's highest customer hourly billing rate.



12.0 SUBCONTRACTORS

12.1 CUSTOMER understands and agrees that ACT may assign and subcontract certain portions of the work performed for CUSTOMER. However, ACT warrants that all work performed for CUSTOMER by ACT subcontractors shall carry all protections, restrictions and limitations as if ACT performed the work.

13.0 ATTORNEY'S FEES

13.1 In any litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Contract, the prevailing party shall be awarded its reasonable attorney fees, and costs and expenses incurred.

14.0 NOTICE

14.1 Any notices required or permitted to be given under this agreement shall be given in writing and shall be delivered (a) in person, (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt or (c) by or prepaid certified mail, return receipt requested to both: Advanced Chemical Transport 1210 Elko Dr. Sunnyvale, CA 94089, Attn: Walter Singer, President, and Advanced Chemical Transport Inc.

15.0 CONFIDENTIALITY

15.1 All information and material that may be disclosed by one party to the other in the course of performance of this Contract is considered confidential and proprietary and will not be used by the receiving party other than for the purposes under this agreement for which it was disclosed. The receiving party will protect such information from disclosure to third parties and hold it as confidential using the same degree of care as that party uses to protect its own confidential or proprietary material of like importance, but at least reasonable care. This obligation will continue for a period of two (2) years following receipt of the material and will survive any termination of this Contract, but it will not cover any information which is disclosed to a third party by the disclosing party without restrictions on disclosure, any information that has been or is developed independently by the receiving party without violation of obligations of confidentiality, any information that falls into the public domain without fault of the receiving party, any information that is rightly obtained by the receiving party from a third party without restriction, or any information that is rightly in the possession of the receiving party at the time of disclosure by the disclosing party.

16.0 FORCE MAJEURE

16.1 Neither party shall be liable in damages or have the right to terminate this agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including Acts of God, government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected.

17.0 SEVERABILITY

17.1 If any provision or provisions of this agreement shall be held to be invalid, illegal, and unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

18.0 ENTIRE CONTRACT



- 18.1 This agreement, including the Scope of Work, Revised Pricing Schedule, Waste Profile Sheet(s) and any other schedule or exhibit referred to in this agreement, constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this agreement and supersede all prior and contemporaneous understandings or agreements, whether oral or written, of the parties. This agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements.
- 18.2 No party has been induced to enter into this agreement by, nor is any party relying on, any representation, understanding, agreement, commitment or warranty outside those expressly set forth in this agreement.
- 18.3 No modification shall be binding on ACT unless in writing and signed by both parties. In no event shall the conflicting terms or conditions found on any CUSTOMER purchase or work order be considered an amendment or modification to this agreement.

19.0 GOVERNING LAW

- 19.1 The laws of the State of California shall govern the validity and interpretation of this agreement, without regard for conflicts of law principles of this, or any other, jurisdiction.

20.0 MISC FEES

ADDITIONAL FEES

DESCRIPTION	PRICE
Cancellation Fee <24 hours notice or < 1 business day	Minimum Charge of \$ 250.00 or Cost of labor/equipment/materials for 1 st day of work, whichever is greater
Rush Pickups or Projects <24 hours' notice or <1 business day notice	Minimum Fee of \$ 250.00 plus additional charges for service
Over pack Surcharge	\$100.00 plus cost of over pack
Return Drum Fee	\$200.00 per occurrence
Manifest Correction Fee	\$ 75.00 per occurrence
Off Spec Fees	\$TBD Based on material shipped



1573 E. Betteravia Rd., Santa Maria, Ca 93454
805-925-1369 Fax 805-925-3274

LOS OSOS COMMUNITY SERVICES DISTRICT

TO: FRANK ASUNCION

JOB NAME: WATER/SLUDGE TRANSPORT & DISPOSAL **DATE:** OCTOBER 9, 2018

LOCATION: LOS OSOS – RANCHO CUCAMONGA, CA **BID REF.**

SERVICE – LOS OSOS	RATE
SEMI-VACUUM TRUCK (4500-4700 GAL CAPACITY)	\$110.00/HOUR
WATER TRUCK (4000 GAL CAPACITY)	\$105.00/HOUR

FOB: LOS OSOS	TSDf	DISPOSAL FEES	TRANSPORTATION
WASTEWATER & SLUDGE	K-PURE	\$1.05/GALLON	\$110.00/HOUR

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- TRANSPORT AND DISPOSAL PRICES INCLUDE PROFILING AND MANIFESTING THE WASTE TO K-PURE IN RANCHO CUCAMONGA, CA.
 - DISPOSAL COSTS ARE NOT GUARANTEED UNTIL WASTE PROFILE IS ACCEPTED UNDER THE TERMS AND CONDITIONS OF THE WASTE FACILITY.
 - THE COST OF LABORATORY TESTS ARE NOT INCLUDED.

LET ME KNOW IF YOU HAVE ANY QUESTIONS.

THANK YOU,

GENE BERBAN