

TO: James L. App, City Manager
FROM: Doug Monn, Public Works Director
SUBJECT: Integrated Water Resource Plan: Wastewater Quality Control
DATE: September 4, 2007

NEEDS: For the City Council to consider Pretreatment and Source Control Program implementation options.

FACTS:

1. The City completed a Salt Management Study in February 2001 (as part of the development of an Integrated Water Resource Plan) to identify options for addressing periodic excessive discharges of total dissolved solids (TDS), sodium, and chloride permit limits from the Wastewater Treatment Plant.
2. The Study identified self-regenerating home water softeners, industrial and commercial dischargers as major contributors of TDS, sodium and chloride loadings in the City's wastewater. Recommendations of the report included audits of industrial and commercial facilities to identify major dischargers, and development of salt management plans for those facilities.
3. The RWQCB required the implementation of the Study's recommendations as part of the City's Wastewater Treatment Plant permit in May 2004. In addition, the new permit also required audits of other facilities for copper, selenium, and cyanide contributions to wastewater. Additionally, the City's sewer collection system recently became subject to waste requirements to implement a Fats, Oils, and Grease (FOG) program and Sanitary Sewer Management Plan (SSMP) to address blockages and overflows typically caused by restaurants and similar dischargers. These audits, FOG program, and associated activities are generally included in a Pretreatment and Source Control Program.
4. The implementation of a Pretreatment and Source Control Program is included in the City's Integrated Water Resources Management Plan adopted by Council in May 2007. The City also budgeted \$70,000 annually for the implementation of the Program beginning Fiscal Year 07/08.
5. It was anticipated that the \$70,000 annual budget would provide outside expert services to develop and implement the Program through Fiscal Year 08/09, after which a full time position could be considered in the 2009/2011 budget cycle. Since the time of the budget, requirements have been added to develop a Sanitary Sewer Management Plan and FOG program.
6. The City solicited proposals for the development and implementation of a Pretreatment and Source Control Program to include the new FOG and SSMP components. One proposal was received from The Wallace Group at a cost of \$147,475 for the first year.

7. The Pretreatment and Source Control Program, FOG Program and SSMP are continuous and will require ordinances, permits, sampling, inspection, reporting, and fees. The implementation of the programs is a required element of the City's state-issued wastewater discharge permits, and will be critical to have implemented prior to the City's permit renewal process (November 2008).

**ANALYSIS &
CONCLUSIONS:**

The City utilizes groundwater for its domestic supply, which has a relatively high mineral content compared with surface water sources. Homeowners and businesses have adjusted to this through the use of softeners and the result has been even higher discharge of salts into the wastewater stream. While the addition of Nacimiento water will decrease the salts concentration in the City's water supply, further and more immediate reduction in loadings is needed through implementation of an industrial Pretreatment and Source Control Program.

Elements of this Program include the identification of significant users, facility audits and inspections, permit issuance, development of sampling plans and facility specific limits, reporting, and development and adoption of a fee schedule. Additionally, the City's Industrial Discharge ordinances should be reviewed to ensure they are consistent with the City's existing wastewater discharge permit.

This program will also address residential salt discharges from self-regenerating home water softeners. This task is also identified in the Integrated Water Resource Management Plan, and will involve adoption of an Ordinance and possibly development of a rebate program.

City staff anticipated using outside expert services to develop the Program initially, and then add City staff to administer the Program permanently. Due to the relatively high cost of the proposal received and the understanding that this will be an ongoing program, staff recommends authorizing the addition of an Industrial Waste Manager position at this time. Furthermore, the addition of staff will address RWQCB's concerns expressed in its July 13, 2007 letter regarding the City's permit compliance.

**FISCAL
IMPACT:**

The City budgeted \$70,000 annually to implement the Pretreatment Source Control Program in the approved two year budget/four year financial plan beginning with the current fiscal year 2008. The City solicited proposals in June 2007 to develop and implement the first year of the Pretreatment and Source Control Program. One response was received from the Wallace Group for \$147,475.

Given the cost of outside assistance, the most effective option would be to hire city staff now – an acceleration of two years. The cost would be \$131,000 per year. It is recommended that the city staff position assigned to this program be hired at the professional level II classification.

Staff recommends authorizing a permanent base budget adjustment to Sewer Operations of \$61,000 annually for the addition of the staff position and associated expenses. The addition of an Industrial Waste Manager would be funded by Sewer Operations and thereby not impact the General Fund, however, consistent with Council

Policy, permit and inspection fees will be developed to render the program fiscally neutral.

Should the Council choose to continue with the adopted plan to hire outside assistance to develop and implement the program, supplemental appropriation of \$77,500 would be required (for a total of \$147,475).

Given that there has been a pending requirement since 2001, the wastewater rate structure anticipated these costs. Presently, sewer operations generate \$600,000 more than the cost of current operation. Allocation of the funding necessary to implement the Pretreatment and Source Control Program would not have a negative impact on the operations budget or result in the need to adjust user rates.

OPTIONS:

- a) Authorize an Industrial Waste Manager position at a professional management II level for development and implementation of the City's Pretreatment and Source Control Program, and an associated permanent base year budget amendment of \$61,000 for the Sewer Operations Fund; or
- b) Authorize the City manager to approve a Purchase Order in the amount of \$147,475 to Wallace Group for one year of consulting services for the Pretreatment and Source Control Program and a supplemental budget appropriation of \$77,500 to cover the program costs.
- c) Amend or modify these options.

Prepared by: Katie DiSimone, Utilities Manager

Attachments

- 1) Resolution 07-XX Option A
- 2) Resolution 07-XX Option B
- 3) Wallace Group's Proposal dated July 6, 2007

RESOLUTION NO. 07-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING AN INDUSTRIAL WASTE MANAGER POSITION AND
PERMANENT BASE BUDGET ADJUSTMENT TO SEWER OPERATIONS FUND

WHEREAS, the City completed a *Salt Management Study* in February 2001 to identify potential options for addressing periodic violations of the Wastewater Treatment Plant's total dissolved solids (TDS), sodium, and chloride permit limits from the Regional Water Quality Control Board (RWQCB); and

WHEREAS, the Study identified self-regenerating home water softeners, and industrial and commercial dischargers as major contributors of TDS, sodium and chloride loadings in the City's wastewater; and

WHEREAS, the implementation of a Pretreatment and Source Control Program to control salt and other industrial discharges is required by the RWQCB and included in the City's Integrated Water Resources Management Plan adopted by Council in May 2007; and

WHEREAS, the City solicited proposals for the development and first year implementation of a Pretreatment and Source Control Program in accordance with all applicable rules and regulations; and

WHEREAS, the City received only one proposal in the amount of \$147,475.00 for the scope of services; and

WHEREAS, the cost for creating a permanent staff position and administering the program with City staff is less than the cost utilizing consultant services, and the City long-term had anticipated the need for an Industrial Waste Manager; and

WHEREAS, recognizing the Pretreatment and Source Control Program will be an ongoing program and a critical element to meeting discharge limits, the City desires to create a permanent City staff position for an Industrial Waste Manager.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of El Paso de Robles does hereby authorize a permanent base budget adjustment of \$61,000 annually from the Sewer Operations Fund to fund a new professional management II position, budget account 601-310-5101-163 (to be partially distributed to benefit accounts).

SECTION 2. The City Council does hereby authorize a professional management II position (Industrial Waste Manager) position to administer the Pretreatment and Source Control Program.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 4th day of September 2007 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah D. Robinson, Deputy City Clerk

RESOLUTION NO. 07-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING PERMANENT BASE BUDGET ADJUSTMENT TO
SEWER OPERATIONS FUND AND PURCHASE ORDER FOR
PRETREATMENT AND SOURCE CONTROL PROGRAM

WHEREAS, the City completed a *Salt Management Study* in February 2001 to identify potential options for addressing periodic violations of the Wastewater Treatment Plant's total dissolved solids (TDS), sodium, and chloride permit limits from the Regional Water Quality Control Board (RWQCB); and

WHEREAS, the Study identified self-regenerating home water softeners, and industrial and commercial dischargers as major contributors of TDS, sodium and chloride loadings in the City's wastewater; and

WHEREAS, the implementation of a Pretreatment and Source Control Program to control salt and other industrial discharges is required by the RWQCB and included in the City's Integrated Water Resources Management Plan adopted by Council in May 2007; and

WHEREAS, the City solicited proposals for the development and first year implementation of a Pretreatment and Source Control Program in accordance with all applicable rules and regulations; and

WHEREAS, the City received only one proposal in the amount of \$147,475.00 for the scope of services; and

WHEREAS, the adopted budget only provided \$70,000 to develop and implement the Program; and

WHEREAS, it is desirable to provide additional budgetary resources to cover the full cost, \$147,750, to develop and implement the program.

THEREFORE, BE IT RESOLVED THAT:

Section 1: The City Council of the City of El Paso de Robles does hereby authorize a permanent base budget adjustment of \$77,500 annually from the Sewer Operations Fund to fund the additional cost required to fully fund the Program from the Sewer Operations Fund to budget account 601-310-5224-163.

Section 2: The City Council does hereby authorize a Purchase Order in the amount of \$147,475 to the Wallace Group for the scope of services provided in their proposal dated July 7, 2007.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 4th day of September 2007 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah D. Robinson, Deputy City Clerk

July 6, 2007

City of El Paso de Robles
Attn: Katie DiSimone, Utilities Manager
1000 Spring Street
Paso Robles, California 93446

Re: Source Control Program

Dear Katie:

Wallace Group appropriates the opportunity to assist the City in the preparation and implementation of a Source Control Program in accordance with the Clean Water Act, U.S. Environmental Protection Agency Statewide General Waste Discharge Requirements (WDR) for Sanitary Sewer Systems, and the City's Municipal Code.

We have completed a review the City's current NPDES permit, specifically the Waste Discharge Requirements (WDR) and Monitoring and Reporting Program (MRP) that has been issued by the Regional Water Quality Control Board (RWQCB). It should be noted that the City's NPDES permit also includes the Templeton CSD (TCSD) and California Youth Authority (CYA).

The Source Control Program outlined below addresses the following components: Pretreatment Program for industrial and commercial users, a Fats, Oils & Grease (FOG) Control Program for food service establishments, and a Salts Reduction Program designed to reduce the high sodium level within the City's wastewater discharge. The Source Control Program as presented consists of three phases; development, implementation and annual maintenance of these three components.

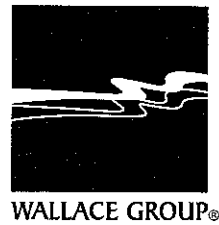
SOURCE CONTROL PROGRAM

Background

Essentially, the Source Control Program is a shield that prevents harmful constituents from entering the sanitary sewer that could potentially impact the municipal sanitary sewer, sanitary sewer workers, the treatment facility, or the environment.

The program would include the following components and is based upon the program that the City currently in place:

- Identify the quantity and quality of non-domestic wastewater contributions to the municipal sanitary sewer from each non-domestic source;
- Establish minimum criteria and define which non-domestic wastewater contributors are required to apply for and obtain a permit to discharge into the municipal sanitary sewer;
- Establish limitations on the quality and quantity of non-domestic wastewater that will be accepted into the sanitary sewer from each non-domestic contributor; and

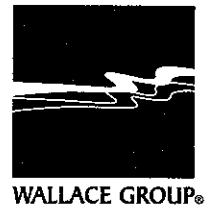


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 612 CLARION CT
 SAN LUIS OBISPO
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- Establish a procedure to monitor and enforce the quantity and quality limitations set for each permitted non-domestic contributor to the municipal sanitary sewer system.

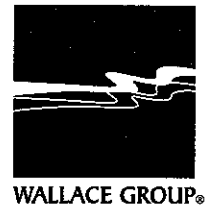


The Source Control Program as proposed by Wallace Group, is broken down into three phases; Program Development, Implementation and Maintenance and will include the execution of the following program elements.

- Review the requirements of the existing Pretreatment Program and recommend appropriate changes to the City of El Paso de Robles
- Research current and potential non-domestic contributors
- Issue permits for all applicable non-domestic contributors
- Receive and review all self-monitoring data and reports required from non-domestic contributors
- Monitor and inspect all non-domestic contributors to verify self-monitoring data and compliance with discharge limitations
- Enforce the provisions of the permits, and general Source Control Program regulations
- Review and respond to special discharge requests from local facilities
- Prepare Source Control reports to state and federal agencies as required by state and federal laws and regulations
- Review and revise local discharge limits as needed
- Coordinate with the Templeton Community Services District (TCSD) and the California Youth Authority (CYA) in regard to permit regulations/reporting, pretreatment program coordination and the handling of septage.

Phase I – Source Control Program Development

1. Wallace Group has completed a detailed review of the City's NPDES permit, specific to Pretreatment, FOG and Salt Management and Reduction requirements. Wallace Group addressed previously as part of the existing Wastewater Treatment Plant Management Support contract with the City a number of issues that the Regional Water Quality Control Board (RWQCB) has identified, along with program resolutions and associated timelines for compliance. A letter was drafted which focused on the City's Source Control Program as movement towards NPDES compliance.
2. Wallace Group previously prepared an initial Source Control Program outline for the City that incorporated options for salt and TDS reduction, elimination of toxicity exceedances and an overall Source Control Program for reduction of salts, metals and grease in the City's wastewater.
3. Wallace Group previously prepared a Source Control Program overview that delineated each program component, milestones and anticipated completion dates (See Attachment A). This program would be refined as part of the program development process.
4. Wallace Group has reviewed the existing City ordinances to ensure compliance with the RWQCB and EPA requirements.
5. Wallace Group has previously integrated portions of the Salt Management Plan into the development of this Source Control Program. This includes conducting audits of salt dischargers, wastewater monitoring, and development and implementation of Salt Reduction Plans for commercial and industrial dischargers.



6. Moving forward Wallace Group will integrate the City's Integrated Water Resource Plans into the control measures to allow for the adoption of a future domestic water softener ordinance. Wallace Group has played an integral role in the development and implementation of a Self-Regenerating Water Softener Ordinance for the San Miguel Community Services District as provided in Attachment B.

As part of the development of Salt Reduction ordinances, Wallace Group is including facilities with reverse osmosis systems. In general, RO systems help demineralize wastewater but increase Total Dissolved Solids (TDS) and Sodium levels. Typical levels of TDS produced by an RO system are 1500 mg/l, which, by design, is in exceedance of the City's local limits of 1100 mg/l. Some of the metals accumulate on the filter and cannot be removed from the membrane surfaces do to the nature of design. Therefore, Pretreatment and a Salt Reduction Management Plan are a necessity for any RO system.

7. Wallace Group will work with City Staff in the development and approval of additional ordinances, policies, or amendments to further strengthen the Source Control Program. Wallace Group is currently implementing a FOG Control Program on behalf of the South San Luis Obispo County Sanitation District's Parent Agencies. This program included the development of a FOG Policy, inspection protocols and program forms. Copies of the FOG/Pretreatment applications, survey forms and public outreach materials are provided as additional reference (Attachment C).

Phase II – Source Control Program Implementation

1. Wallace Group has completed an initial review of City Business permit holders and well as discussions with City staff to determine which commercial and industrial facilities may be candidates for the Source Control Program. The initial review has provided a total of three hundred eighty six (386) potential dischargers. Of this total, fifty (50) fall under the Salts Reduction Program, one hundred sixteen (116) are Pretreatment Program candidates, and two hundred twenty (220) are categorized under the FOG Control Program. This preliminary review of dischargers and a universal Source Control Program Application for all wastewater dischargers are provided as Attachment D. This initial number of facilities is a fluid number and will be revised as businesses open or close.
2. Staff will conduct facility surveys, interviews and drive-bys to further develop and refine the candidate database.
3. Based upon these findings, Wallace Group will mail and track the completion of Discharger User Surveys to potential Source Control Program candidates. A sample of South San Luis Obispo County's Discharger User Survey as developed by Wallace Group is provided in Attachment C.
4. Responses will be reviewed by Wallace Group to develop permit lists by discharger classification type. The classification type will include Signification Industrial Users (SIU), Class II and Class I Users. All previously established pretreatment files will be reviewed for accuracy and completeness. Facilities currently operating under the City's Source Control Program will be categorized to meet the City's classification types. Examples of these classifications are provided below:



Discharger Classification		
Type	Parameters	Examples
Significant Industrial User (SIU)	generates hazardous wastes which if discharged to the sewer may cause considerable damage to the collection system and treatment process.	Electroplating, Medical Facilities, Industrial Manufacturing, etc.
Class II	generates hazardous waste and discharge of non conventional pollutants to the sewer.	Dry Cleaners, Automotive Repair, Radiator, etc.
Class I	discharges oil & grease, or salts in quantities greater than a normal household.	Restaurants, Hotels/Motels, Car Washes, Laundromats, etc.

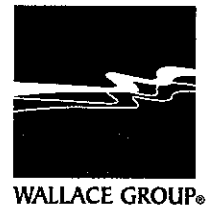
5. Wallace Group will track and review all discharger applications, and respond to questions initiated during the application process.
6. Wallace Group will provide recommendations to City staff for issuance of a discharge variance and/or permit
7. Wallace Group will conduct an initial site visit with each permit holder for Pretreatment, FOG and Salts Reduction. Inspection of these facilities will include the determination of sampling locations, recommended modifications, facilities discharge procedures, discharge limits or variance agreements, site maps and facility record management.

Wallace Group has begun permit file reviews and site visits for some of the predetermined Significant Industrial Users. More specifically, a site visit was performed on June 13, 2007 for the Lubrizol Advanced Materials Corporation. This site visit initiated wastewater sampling locations and discharge analysis. Wallace Group is currently working on revising permit language and discharge parameters for this facility.

Wallace Group has experience in developing and implementing a Pretreatment Program for the South San Luis Obispo County Sanitation District as well as a FOG program for the Cities of Arroyo Grande, Grover Beach and the Oceano Community Services District. As part of the District's Program, Wallace Group created a standard detail sheet for a wastewater sampling station, this standard detail sheet as provided in Attachment E. This includes a list of acceptable testing labs. We would envision utilizing this for the City as well and would include in the program follow up site visits and inspections to confirm the construction of these sample stations.

Wallace Group has had the opportunity to work in conjunction with the County of San Luis Obispo Environmental Health Department in the presentation of a Fats, Oils & Grease Control Program workshop to restaurants throughout the County. There were three workshops held; North County, Mid County and South County. These workshops provided the opportunity to speak with restaurant owners about

state regulations, local ordinances and the importance of reducing grease from entering the sanitary sewer systems. Overall feedback was positive in that Restaurant owners were open to learn more about grease control programs and associated regulatory compliance.

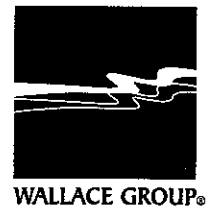


Phase III – Ongoing Maintenance (Annual)

1. As part of the Source Control Program, Wallace Group will perform on-going sampling, on-site inspections and review of facility records for all permit holders. Wallace Group will inspect and provide document review for an estimated 386 facilities.
2. Wallace Group will perform wastewater monitoring and sampling relative to FOG, industrial discharges and salt contributions from both within and tributary to the City's collection system.
3. Wallace Group will meet with the City on a quarterly basis in efforts to inform staff of inspection updates, discharge sampling and compliance of permit holders.
4. As a component of this program, there will be on-going and annual reviews for the enrollment of applicable businesses into the Source Control Program. Wallace Group will continue to utilize business license permits and the County of San Luis Obispo Equalized Tax Rolls to determine additional program candidates. Further determination of Source Control classifications shall be reviewed annually by sorting businesses by the Federal Standard Industrial Codes (SIC). Wallace Group will work directly with City staff in the Source Control permitting process. It is the intent of the program that business license permits will be contingent upon receipt of wastewater discharge applications and supplemental materials.
5. Wallace Group will assist in the preparation the annual reporting for the City which is due to the RWQCB by the end of January of each year. Annual reporting shall include the status of the Source Control Program. More specifically, the Annual Report to the RWQCB will include the following elements: 1) summary of inspections, re-inspections, analytical results and corrective/enforcement actions performed for the Pretreatment, FOG and Salts Reduction Programs, 2) reports of any incidents, pass-throughs, or upsets by Source Control Dischargers, 3) Summary of Program Compliance History, 4) A listing of all applicable businesses in the City with an identification of quantity and quality of wastewater discharges.
6. The Potential exists for this program to have a cost recovery component. We have prepared a sample Source Control Program fee schedule to assist in recovering the annual costs of inspection, program coordination and reporting. This fee schedule is provided as Attachment F. Under this proposed fee schedule, the Source Control program will receive a portion of its revenues from Source Control Application fees and annual Industrial Users Permit fees. The Source Control Program Application fee would be a one-time program fee of \$200. This application fee would provide funding for project coordination, application review and initial inspection costs. The Industrial Users Permit fees would be dependant upon the user classification. Industrial users fees would be classified into three classes; Significant Industrial Users-\$685.00, Class II industrial Users-\$210.00 and Class I industrial users-\$100.00. Users may determine their classification by looking at their Source Control permit number.

These fees are annual, but the City Finance Department could choose the option to divide the total amount into bi-monthly invoices.

7. An added advantage of an all encompassing Source Control Program is that all the permit holder specific information (permit applications, audit sheets, test results, etc.) that are developed as part of the Source Control Program could be integrated into the City's GIS project. The potential exists to expand the Source Control Program to include tributary contributors, specifically TCSD and the CYA. If these two entities are included, the potential for some cost sharing exists.



ADDITIONAL INFORMATION

The overall intent of this program per our discussions would be for Wallace Group staff to initially develop the Source Control Program and perform all field and administrative activities with back up support from our sister company Fluid Resource Management (FRM) as needed. Wallace Group would then by working with the City turn over the operation and maintenance of the Source Control Program to the City over time.

All work would be conducted out of our office located at 612 Clarion Court, San Luis Obispo, CA 93401 with FRM providing additional support with field staff.

The following personnel would be involved in this program:

Tom Zehnder P.E. – Program Manager

Tom is currently the District Engineer for South San Luis Obispo County Sanitation District and Avila Beach Community Services District as well as a consulting Engineer for the Cities of Paso Robles, Arroyo Grande, Grover Beach and Oceano Community Services District. In these roles he is responsible for coordination with various regulatory agencies including the Regional Water Quality Control Board specific to wastewater operating and discharge permits. Tom is also involved in the administration of a variety of municipal programs including Capital Projects, Maintenance and Operations, Compliance, as well as Budgets.

- o B.S. Mechanical Engineering
- o California Registered Mechanical Engineer, Number M29572
- o Arizona Registered Mechanical Engineer, Number 34549

Melissa Mudgett – Project Manager

Melissa is currently the Project Analyst for the South San Luis Obispo County Sanitation District, Avila Beach Community Services District as well as a consulting Project Analyst for the Cities of Paso Robles, Arroyo Grande, Grover Beach and the Oceano Community Services District. Melissa has been instrumental in the development and implementation of the South San Luis Obispo County Sanitation District's Pretreatment and FOG Control Programs. As a certified Hazardous Materials Specialist and Underground Storage Tank Inspector, coupled with extensive inspection experience as a Health Inspector, Ms. Mudgett has skills in the recognition and evaluation and industrial discharge. She offers a unique blend of strong technical skills with business acumen to effectively communicate the issues to a range of stakeholders from industrial operators to executive leaders to solve issues with the needs and goals of the city in mind. She has successfully developed



and implemented strategies, standards, processes and procedures, monitoring and training to meet program needs in a cost-effective and timely manner.

- M.A. – Education
- B.S. – Environmental Sciences; Land Use & Management
- Certified Hazardous Materials Specialist 980
- Certified Underground Storage Tank Inspector 1206
- Certified Public Health Inspector 01-4579

Joy Castaing– Compliance Coordinator/Inspector

Joy is currently the Project Analyst for the South San Luis Obispo County Sanitation District as well as the consulting Project Analyst for the Cities of Arroyo Grande, Grover Beach and the Oceano Community Services District. Joy is uniquely qualified to serve the City of Paso Robles as the Compliance Coordinator/Inspector for the Source Control Program. Joy has worked for over fifteen years as both an inspector and program manager for public health. She has provided support and guidance in the development of alternative energy management. Joy has extensive experience in conducting inspections of food service establishments and facilitating the development of emergency response plans. She is adept in conducting inspections and guiding clients towards state and federal compliance.

- B.S. – Environmental Management; Occupational Health & Safety
- Registered Environmental Sanitarian 001397; State of Maryland
- Certified for Collection of Drinking Water Samples, Sampler ID 2840jc/0812-00-641

Chris Nally – Technical Specialist

Chris is currently the Operations Manager for Fluid Resource Management, the sister company to Wallace Group. He has over ten years experience in wastewater distribution, collection systems and treatment plants. Chris is the Chief Plant Operator (CPO) for the Avila Community Services District. Chris serves as a consulting CPO and supervising operator or a multitude private and industrial clients. Chris has been the interim CPO for the City of El Paso de Robles wastewater treatment plant. Chris is familiar with the regulations, processes and staff of the Paso Robles Wastewater Treatment Plant. Chris can lend his expertise in the areas of wastewater collection and sampling for industrial dischargers.

- Wastewater Operator, Grade 3
- Water Distribution Operator, Grade 1

ESTIMATED COSTS

Source Control Program

It should be noted that the cost is budgetary in nature based upon an initial review of dischargers and would be refined as the Source Control Program progresses. A significant cost driver for this program is the number of dischargers that would be enrolled in the program. If upon further review some dischargers are removed from the program the overall costs could decrease. If the reverse is true and there are more dischargers identified the program costs may increase. A further description of the Source Control Program budget is provided as Attachment G.



Source Control Program Development, Implementation & Program Coordination.....	\$65,620
Salts Reduction Program (\$8,500)	
Pretreatment Program (\$19,720)	
Fats, Oils & Grease Control Program (\$37,400)	
Source Control Annual Reporting.....	\$ 3,400
Source Control Inspection.....	\$78,455
Salts Reduction Program (\$4,675)	
Pretreatment Program (\$32,640)	
Fats, Oils & Grease Control Program (\$41,140)	

From a contractual standpoint, WG would be the holder of the contract with the City with FRM as a pass through cost. We would anticipate utilizing the City's Standard Professional Services contract and take no exceptions. This proposal is valid for a period of 60 days.

As we have discussed previously Wallace Group performs work for Estrella Associates Inc. in Paso Robles. In order to avoid the perception of any conflict of interest, all interaction with EAI and the City specific to the Source Control Program would be handled by the City. This would apply to any other parties in the future that are Wallace Group clients.

We believe that the Source Control Program as outlined above meets the needs of the City and forms the basis of further discussion between the City and Wallace Group. We look forward to meeting with you again.

Best regards,

Thomas K. Zehnder
Director of Public Works Administration / Mechanical Engineering

mcm
enc.