



FAIRFIELD-SUISUN SEWER DISTRICT

1010 CHADBOURNE ROAD • FAIRFIELD, CALIFORNIA 94534 • (707) 429-8930 • WWW.FSSD.COM
GREGORY G. BAATRUP, GENERAL MANAGER

July 19, 2018

AD-100.130.10/2018

MEMORANDUM

TO: Board of Directors

FROM: Greg Baatrup

SUBJECT: Quarterly GM Report

The following is a highlight of the more significant activities that occurred during the second quarter of the calendar year 2018.

Operations

All treatment facilities continue to perform as expected. The total wastewater processed during the quarter was 1.17 billion gallons. For the second quarter, the plant was 100% compliant with discharge regulations prescribed by the National Pollution Elimination System (NPDES) Permit and there were no Sanitary Sewer Overflows.

Biosolids Management

Organic Materials Recovery Center (OMRC)

Lystek continues to market services and has recently added contracts to process biosolids from the City of Benicia and the City of Palo Alto. District and Lystek staff continue to track progress towards organics regulations resulting from the passage of SB1383. To comply with these new regulations, many new organics processing facilities will be needed. The District and Lystek can be solution providers, and staff from both are active in regulatory development.

Engineering

Blower Replacement Project

In November 2017, the District Board approved a construction services contract with Overaa & Co. to replace aging aeration equipment and improve the reliability and efficiency of the system. Initial efforts have been on preparing submittals and ordering equipment. Actual construction recently started with electrical duct banks. The contract completion date is October 18, 2019.

Coating Rehabilitation Project

The second re-coating work on the steel Secondary Clarifier mechanisms started and is expected to be complete in late-summer.

Electrical Feeder Replacement Project

The District has two sets of electrical cables that bring 12-thousand-volt power into the plant from PG&E. One is primary, the other is available as a backup or secondary. These cables were installed with the original plant construction in the late-1970s. In January 2017, excessive rainfall caused one of the sets to short, requiring replacement. Replacement of the cables was necessary to maintain reliable treatment. The primary cables were installed in the second quarter of 2017. The secondary cables were installed, tested, and put into service.

Plant Electrical Replacement Project

The District has been experiencing a higher frequency of breakdowns in the electrical components. Many of these components have been installed for more than 30 years. The condition, age, and outdated technology warranted an electrical system assessment that is underway. A design services contract was approved in June 2018 and work has begun.

Other Projects and activities:

- AECOMM completed the pilot test of the Nereda treatment technology to determine the viability of this new technology to reduce nutrient discharges and reduce energy consumption. A final report is expected in August.
- Construction to reinforce a sewer crossing at LedgeWood Creek was completed in late June. As prescribed under state and federal permits, the project involved bypassing creek flow, modifying the width and depth of the creek bed, and installing large boulders and a gradation of rock to reduce scouring velocity and protect the sewer pipe.
- Roofing Rehabilitation/Replacement was bided on and awarded to Solano County Roofing, Inc. Work will be completed during summer 2018.
- Coordinating with Lystek on the recycling of their product to the District digesters to improve gas production and solids reduction.
- Rehabilitating the energy recovery equipment to improve operation and reliability.

Community Outreach

The following table presents the activities in the second quarter of 2018:

Date	Event	Participants	Description
4/21/18	Earth Day cleanups of LedgeWood Creek, Grizzly Island Trail, Lower Union Ave. Creek, Suisun Boat Ramp, Suisun Waterfront, Rockville Park and Grizzly Island Road	100+	Organized and supported trash pickups at 7 locations throughout the community.
4/21/18	Earth Day Outreach	150+	District staffed a booth at the City of Fairfield Earth Day festival. Staff provided information on the importance of protecting the environment and homeowner best practices were provided.
4/25/18	Solano Community College Earth Day	100+	Provided messaging to students interested in our message of "what runs off of our streets flows to our creeks untreated". Also interested in our "toilets are not a trash can campaign."

4/28/18	Pharmaceutical Take-Back	100+	Cooperated with local law enforcement to collect pharmaceuticals so, they can be safely managed without being flushed down the drain.
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Personnel

Doug Hollowell was hired in to fill a vacant electrical technician position. The District has 57 employees. Distribution by department is 8 in Administration/Finance, 7 in Engineering, 15 in Operations, 24 in Maintenance, and 3 in Laboratory.

In their Summer 2018 publication, the California Water Environment Association recognized Jordan Damerel, the District’s Director of Engineering, along with 6 other wastewater professionals as emerging leaders. Jordan’s picture is on the cover of the magazine with an article expressing his contributions to our industry. In the article, CWEA states “If you selected a 2018 all-star team among clean water professionals in California, the year’s Emerging Leaders would be good choices to fill the positions.” A [link](#) to the story is on the front page of the District’s website.

Administration and Finance

Budget Analysis

The June 30, 2018 data in the attached tables are preliminary (prior to current year accruals). Overall expenses and revenues are within budget, with the following exceptions worth noting:

Expenses:

- Major Maintenance line includes the budget for the Blower Project which we projected to spend \$6.5m this fiscal year, due to delays in SRF funding approval from the State and the first phase of construction being mostly administrative in nature, actual spending was \$255k. Project spending will increase over the next several months.
- Administration higher actual cost was primarily due to higher labor costs (time and benefits) allocated to Administration instead of previously allocating to Operations or Maintenance departments.

Revenues:

- Capacity Fee collected was less than projected due to the timing of development projects. Based on discussions with the cities, more permits will be issued/collected in FY 18/19. Projects funded through capacity fee revenue are timed to offset the impacts of development. As development increases, so will capacity fee revenue to pay for the capacity-fee-funded projects.
- District-billed industrial customers were lower this year overall – Super Stores and Engelhart have lower discharge/invoices.

Table 1

Fairfield-Suisun Sewer District
 Expense Report Summary
 YTD June 30, 2018

	Budget	YTD Actual	% Used
Fund 1 – Operations			
0110 Treatment Plant O&M (1)	8,496,950	7,460,169	87.80%
0110 Electricity and Chemicals	1,433,000	1,419,731	99.07%
0115 Laboratory	768,000	692,889	90.22%
0130 City Sewer Line Maintenance	2,445,000	2,471,044	101.07%
0140 Major Maintenance	11,464,000	4,218,821	36.80%
0170 Admin, Legal, Board, OPEB	1,148,000	1,385,007	120.65%
0160 Utility Billing - Fairfield	452,000	459,709	101.71%
0160 Utility Billing - Suisun	134,000	132,822	99.12%
0160 Financial & Personnel Services	791,000	680,097	85.98%
0150 Regulatory Programs (2)	826,000	679,624	82.28%
Total Expenses	27,957,950	19,599,913	70.10%
Fund 2 - Construction			
0210 Project Planning (3)	76,200	70,832	92.95%
0220 New Development Review/Inspect	42,000	88,691	211.17%
0230 Collection System Master Plan	300,000	145,038	0.00%
1601 Blower Project/Aeration System Rehab (25%)	1,625,000	63,838	3.93%
Total Expenses	2,043,200	368,398	18.03%
Fund 4 - Drainage Maintenance			
0410 Drainage Maint Admin	19,000	21,283	112.02%
0420 Local Facility Maintenance	959,000	959,000	100.00%
0430 Regional Facility Maintenance	227,000	56,263	24.79%
0440 URMP (4)	327,850	323,072	98.54%
Desilting	31,000	0	0.00%
Total Expenses	1,563,850	1,359,618	86.94%
Total - All Funds	31,565,000	21,327,930	67.57%

Table 2

Fairfield-Suisun Sewer District
 Revenue Report Summary - Cash Basis
 YTD June 30, 2018

		FY 2017-18		
		Budget	YTD Actual	% Used
Fund 1 - Operations				
5010	Sewer Service Charges - FF	18,901,000	18,868,515	100%
5012	Sewer Service Charges - AB	1,048,000	903,213	86%
5013	Sewer Service Charges - District-billed	1,001,000	778,206	78%
5015	Sewer Service Charges - SS	4,272,000	4,386,929	103%
5020	Sewer Service Charges - TAFB	933,000	1,012,643	109%
5305	Lease Income	-	100,147	0%
5405	Interest Earnings	242,000	353,299	146%
5505	Miscellaneous	125,000	129,187	103%
5510	Biosolids Facility Charge	120,000	169,400	141%
Total		26,642,000	26,703,314	100%
Fund 2 - Construction				
5105	Capacity Fees - FF	3,061,000	2,166,972	71%
5110	Capacity Fees - SS	63,000	90,614	144%
5405	Interest Earnings	22,000	60,404	275%
5410	Interest - Connection Fees	-	10,085	0%
Total		3,146,000	2,328,075	74%
Fund 4 - Drainage Maintenance				
5205	Drainage Maintenance	1,552,000	1,598,012	103%
5405	Interest Earnings	11,000	23,471	213%
Total		1,563,000	1,621,483	104%
Total - All Funds		31,351,000	30,652,872	98%

Figure 1

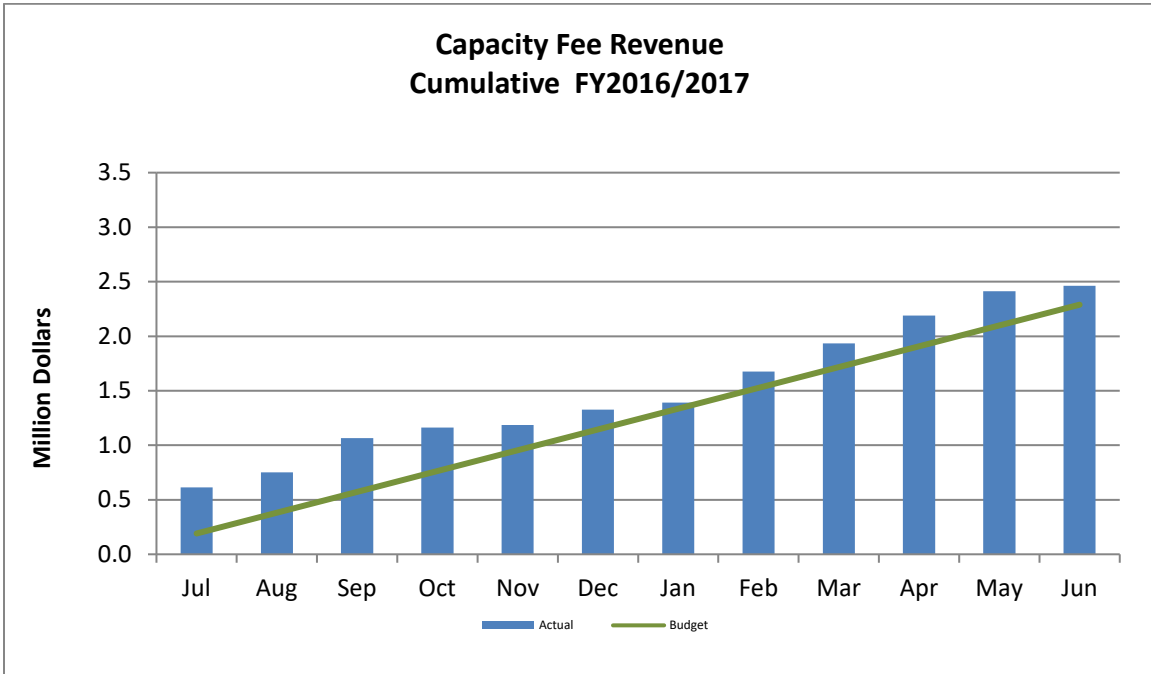


Figure 2

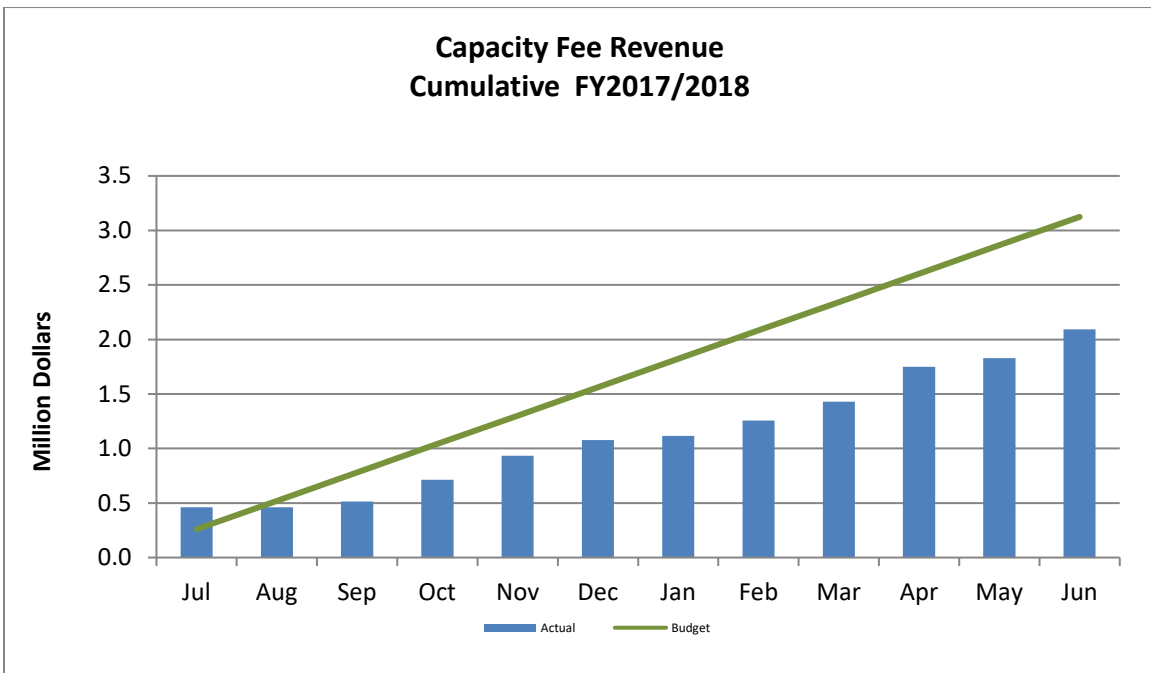


Figure 3

