

## **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

City of Arroyo Grande, City Council Chambers  
215 East Branch Street  
Arroyo Grande, California 93420

Minutes of the Meeting of Wednesday April 20, 2016  
6 P.M.

### **1. CALL TO ORDER AND ROLL CALL**

Present: Chairman John Shoals, City of Grover Beach; Director Mary Lucey, Oceano Community Services District; Director Jim Hill, City of Arroyo Grande

District Staff in Attendance: Gerhardt Hubner, District Administrator; John Clemons, Plant Superintendent; Gilbert Trujillo, District Legal Counsel; Amy Simpson, District Secretary/Bookkeeper

### **2. FLAG SALUTE**

### **3. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

Chairman Shoals opened the public comment period.

Patty Welsh asked that the election of a vice chair and the benefits package be put on a future agenda.

Otis Page protested placing budgetary items on the property tax bill for the cities of Arroyo Grande and Grover Beach.

Julie Tacker commented on the OCSO water rate increase and the legal bill associated with a personnel matter.

Ron Arnoldson commented on former legal counsel and asked that the placing of sanitation fees being put on the tax roll be brought back to a future agenda.

Beatrice Spencer received a response from the District Attorney and gave a shout out to former Chairman Hill for pursuing the Knudson Report.

Patricia Price agrees with Otis Page.

Jeff Edwards commented on the Redundancy Project and wants staff to have a discussion about moving the plant.

There being no more public comment, Chairman Shoals closed the public comment period.

Chairman Shoals clarified that he did not elect himself Chairman. He is open to bringing back the tax roll item back to a future agenda and that the City of Grover Beach did not initiate the personnel issue.

Director Hill stated that he voted to elect Shoals as Chairman. He would like to have the benefits package on a future agenda and that the city of Arroyo Grande did not direct legal counsel to pursue the personnel issue.

#### 4. CONSENT AGENDA

##### 4A. Review and Approval of Minutes of Meeting of April 06, 2016

##### 4B. Review and Approval of Warrants

##### 4C. Financial Review at March 30, 2016

Director Hill requested that Items 4B and 4C be considered separately.

Chairman Shoals opened the public comment period.

Julie Tacker would like more comprehensive minutes. Acting Administrator Clemons stated that action minutes are appropriate.

There being no more public comment, Chairman Shoals closed the public comment period.

**Motion:** Director Hill made a motion to approve Item 4A, Minutes of April 6, 2016 with a correction to 4C. showing Director Hill as the maker of the motion.

**Second:** Director Lucey

**Action:** Approved unanimously

##### 4B. Review and Approval of Warrants

Directors Hill and Lucey had questions about the John Rickenbach, LLC contract and invoice and would like to have them answered before paying warrant.

Michael Nunley and John Clemons both said that they had met with Rickenbach and that some of the costs could have been incurred when he started working on a new Mitigated Negative Declaration prior to the discovery of an old Negative Declaration.

Chairman Shoals opened the public comment.

Julie Tacker, Jeff Edwards and Patty Welsh all commented on the Rickenbach and Downey Brand warrants.

April McLaughlin complimented staff and commented on the warrant register.

There being no more public comment, Chairman Shoals closed the public comment period.

**Motion:** Director Lucey made a motion to approve the Warrant Register withholding the Rickenbach payment for \$11,400 and the Downey Brand Retainer for \$5,000.

**Second:** Director Hill

**Action:** Approved unanimously

##### 4C. Financial Review at March 30, 2016

Director Hill expressed a concern of District cash flow, and whether it is putting a financial strain on the District if all cities were to move to the county tax roll at once. He stated this item warrants a closer look. He would like to have the discussion of

placing sanitation charges on the tax roll put on a future agenda.

Chairman Shoals opened the item to public comment.

Beatrice Spencer, Patty Welsh and Ron Arnoldson all gave comment in regards to putting the sanitation charges on the tax roll.

**Motion:** Director Hill made a motion to receive and file the report  
**Second:** Director Lucey  
**Action:** Motion carries

Chairman Shoals amplified that the Board has had multiple discussions on the tax roll item. The Board previously made a decision to move to the County Tax Roll.

**5. PLANT SUPERINTENDENT'S REPORT**

Superintendent Clemons presented his report. He reported the plant is in good standing. He gave an update on maintenance, in progress, projects, and training happening at the District.

Chairman Shoals opened the public comment period.

Julie Tacker and Jeff Edwards gave public comment.

There being no more public comment, Chairman Shoals closed the public comment period.

**Action:** The Board received and filed the Plant Superintendent's report.

**6. BOARD ACTION ON INDIVIDUAL ITEMS:**

**6A. Resolution No. 2016-343 Adopting District Administrator contract with Gerhardt Hubner**

Ms. Alicia Lara, District HR consultant, presented this report. Staff recommended the Board adopt Resolution No. 2016-343: the appointment of Gerhardt Hubner as District Administrator, and authorize the Board Chairman to execute the employment contract.

Chairman Shoals opened the item to public comment.

Julie Tacker is not in favor of giving the District Administrator a car allowance.

Chairman Shoals closed the public comment period.

**Motion:** Director Hill made a motion to approve Resolution No. 2016-343; a Resolution of the SSLOCSD Board ratifying the appointment of an employment contract for Gerhardt Hubner as District Administrator for the SSLOCSD and further move that Chairman Shoals execute the contract on behalf of the District.  
**Second:** Director Lucey  
**Action:** Approved unanimously

Gerhardt Hubner thanked the Board and audience members for the opportunity to work for the District.

**6B. Resolution No. 2016-344; and an Agreement with Speiss Construction Company for construction of a Grit Removal System**

Staff introduced this item and recommended the Board of Directors award the contract for installation of a Grit Removal System to Speiss Construction Company, and that the Board adopt Resolution No. 2016-344 directing the District Administrator to enter into an Agreement with Speiss Construction Company, Inc. for the construction of a Grit Removal System at the District's Treatment Plant.

Michael Nunley did a power point presentation showing the Board and audience a grit removal system and the importance of the system for the District.

Chairman Shoals opened the item to public comment.

Jeff Edwards and Beatrice Spencer gave commented on this item.

**Motion:** Director Hill made a motion to adopt Resolution No. 2016-344; and Agreement with Speiss Construction Company for construction of a Grit Removal System.

**Second:** Chairman Shoals

**Action:** Approved unanimously

**6C. Resolution No. 2016-345 and an Agreement with Merk Associates, LLC for Environmental Review Services for the Cherry Avenue Sewer Bridge Maintenance Projects**

Staff provided an overview of the Agreement and recommended the Board of Directors adopt Resolution No. 2016-345 authorizing the District Administrator to enter into an Agreement with Kevin Merk Associates, LLC for Environmental Review Services for the Cherry Ave. Bridge Project.

There was no public comment on this item.

Gerhardt Hubner indicated the District looks to initiate work by mid-September and complete work by mid-October.

**Action:** Director Lucey made a motion to adopt staff recommendation.

**Second:** Director Hill

**Action:** Approved unanimously

**6D. Resolution No. 2016-346 and an Agreement with Aquatic Bioassay & Consulting Laboratories, Inc. for Professional Services for Ocean Outfall Inspection.**

Staff provided and overview of the Agreement and recommended the Board of Directors adopt Resolution No. 2016-346 authorizing the District Administrator to enter an Agreement with Aquatic Bioassay Inc. to perform an Ocean Outfall Inspection on the District's Ocean Outfall.

There was no public comment on this item.

**Motion:** Director Lucey made a motion to accept Resolution No. 2016-346 and an Agreement with Aquatic Bioassay & Consulting Laboratories, Inc. for professional services for ocean outfall inspection.

**Second:** Director Hill

**Action:** Approved unanimously

**6E. Resolution No. 2016-347 and an Agreement with Bartle Wells to assist in SRF Loan Application process.**

Staff provided and over of the Agreement and recommended the Board of Directors adopt Resolution No. 2016-347 authorizing the District Administrator to execute the attached contract with Bartle Wells, and Associates for completion of the State Revolving Funding financing application package.

Jeff Edwards and Julie Tacker asked that the Board postpone this item.

Chairman Shoals asked if there were consequences to not taking action on this item tonight. Both Mr. Hubner and Mr. Clemons said yes, there will be a significant missing piece of the application. Showing financial backing is an important part of the application process for the Redundancy Project. The time frame to get the loan approval can be a lengthy process. Delaying this process now may have consequences down the road.

Chairman Shoals would like to have a conversation with the Coastal Commission to introduce the project before moving forward on this item.

Director Hill supported Chairman Shoals and also understands the need for financial backing. He does not feel waiting a couple weeks would hurt.

Director Lucey supports holding off on this item.

**Motion:** Director Lucey moved to table Resolution No. 2016-347 and an Agreement with Bartle Wells to assist in SRF loan application to the June 1<sup>st</sup> meeting.

**Second:** Director Hill

**Action:** Approved unanimously

**7. MISCELLANEOUS ITEMS**

**A. Miscellaneous Oral Communications**

Director Hill asked legal counsel to clear up the personnel issue and legal fees that originated with OCSD.

Director Lucey is not aware of any complaints brought on from OCSD.

Legal Counsel did look into the personnel matter and has discussed it with the Board members. This item has been closed since early February. He believes Director Lucey was alternate at the time and may not have been included in the Closed Session discussions.

**B. Miscellaneous Written Communications**

Received letter from Coastal Commission, dated April 15, 2016. Copies were made available to the Board and audience members.

**8. VERBAL REPORT BY INTERIM DISTRICT ADMINISTRATOR**

Mr. Clemons brought back an update on the Oceano CSD billing. He stated that 2,110 notices were mailed on March 23rd to both property owner as well as residents. To date 775 payments have been received for a total of \$93,235. About 300 envelopes were returned. The cost to do the mailing was \$2,216.

All accounts that remain uncollected will be reported to the county as delinquent.

He updated the Board on the FEMA award. Cal Office of Emergency Services did award the District money for damages during the flood.

Chairman Shoals asked the Board if they would like to have the discussion of moving to the Tax Roll again. Director Hill responded yes, because of the cash flow issue Mr. Clemons brought to the Boards attention at the meeting of April 6.

Mr. Hubner intends to put the retirement health benefits package discussion on a future agenda.

Chairman Shoals opened this item to the public.

Jeff Edwards asked that the Board have a discussion of a complete analysis as to whether or not the redundancy project, as presently configured, presents other problems to the extent that the District may want to consider other options.

Julie Tacker spoke to the WSC re scoping of Recycled Water Project and the Redundancy Project and whatever is going on at Pismo Beach be discussed for a regional approach at a future meeting.

There being no more public comment, Chairman Shoals closed the public comment period.

**9. CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Paragraph (1) of subdivision (d) of Government Code Section 54956.9]; (two cases).

*(1) South San Luis Obispo County Sanitation District v. Special District Risk Management Authority, Case No.: CV130473*

*(2) South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) case number 34-2012-80001209-CU-WM-GDS)*

**10. PUBLIC COMMENT ON CLOSED SESSION**

Chairman Shoals opened the public comment period.

Jeff Edwards, Patty Welsh, Beatrice Spencer, and Julie Tacker all commented on the closed session items.

Chairman Shoals closed the public comment period.

**11. REPORT OUT OF CLOSED SESSION**

No reportable action for both existing litigation matters. Melissa Thorne, Esq. attended the closed session and did not charge the District for her travel, attendance and lodging.

**12. ADJOURNMENT**

There being no further business to come before the Board, Chairman Shoals adjourned the meeting at approximately 9:45p.m.

***THESE MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT THE MEETING OF MAY 04, 2016.***