

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday August 03, 2016
6 P.M.

1. CALL TO ORDER AND ROLL CALL

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

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

2. FLAG SALUTE

3. AGENDA REVIEW – Accepted as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Julie Tacker believes the resume of the District Administrator is a public record and asks that the resume be released.

Patricia Price suggested adding a link on the website to the AGP recordings of District meetings. She feels the new Administrator is expensive and would have preferred a part time administrator. She believes the District Administrator should stay on the plant site and not have an offsite office. She would like more details of the meetings he attends and project updates. She asked if and when the cities of Grover Beach and Arroyo Grande will be moved to the county tax roll.

Beatrice Spencer believes the District Administrator resume should be released as a public document. She is concerned that the excessive legal bills do not reflect the position of the District plant that is operating in compliance.

Chairman Shoals closed the Public Comment.

District Administrator Hubner said that the District has legally responded to all requests for his resume but to put this issue behind the District he provided his redacted resume to Ms. Tacker as a courtesy.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of July 20, 2016

This item will be moved to the agenda of August 17th. Legal Counsel recommended that the Board members watch the video recording of the meeting. This will allow the Directors to approve the minutes of July 20, 2016 even though they were unable to attend the meeting in person.

5B. Approval of Warrants
5C. Financial Review at June 30, 2016

Chairman Shoals opened the public comment period.

Julie Tacker hopes that this is the last Downey Brand warrant. She would like to see an accounting of the total cost of the legal fees associated with litigating the ACL violation.

Chairman Shoals closed public comment.

Motion: Alternate Guerrero made a motion to approve Items 5B and 5C of the Consent Agenda.

Second: Director Hill

Action: Approved unanimously by roll call vote.

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

District Administrator Hubner presented the first part of this report.

Superintendent Clemons presented the second part of the report.

Director Hill asked about the MND comment period for the Cherry Ave Sewer Bridge Project and the comment deadline of August 19. He asked if there was any value in holding a Special Meeting to expedite the project.

Administrator Hubner replied that he hopes that the process will be complete, done correctly and legally by the September 7, 2016 meeting. A Special Meeting is an option for the Board.

Director Hill requested a copy of the Ergonomics Specialist report and a copy of the MOU for the IRWM approved previously. Complimented staff on getting parameters met and the plant running well.

Chairman Shoals and Director Guerrero also thanked staff for their accomplishments.

Chairman Shoals opened the item to public comment.

Patricia Price asked what Superintendent Clemons meant when he said that there are internal problems.

Julie Tacker thanked Administrator Hubner for his resume. She asked that Mr. Hubner spell out for the Board why he needs an offsite office and recommended a cost analysis be done before any move.

Ron Arnoldson asked the Board to "keep Superintendent Clemons happy because he is a great guy".

Beatrice Spencer hopes that the District Administrator report was not a sales pitch for a new offsite office. She thanked Mr. Clemons for his reports.

Chairman Shoals closed the public comment period.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. REQUEST FOR APPROVAL FOR A CHANGE ORDER FOR THE GRIT REMOVAL SYSTEM PROJECT, CONTINGENCY FUNDS AND AUTHORITY TO PROCESS FUTURE CHANGE ORDER TO SUPPORT FUTURE UNFORESEEN PROJECT CONSTRUCTION EVENTS.

District Administrator presented this item in a power point presentation with an update on the Grit Removal Project.

Chairman Shoals opened the item to public comment.

Julie Tacker asked why there in not a Budget Adjustment to move money from Contingency to Grit Removal.

Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion to:

1. Approve a change order in the amount \$15,526.17 for the Grit Removal Project.
2. Approve a specific contingency fund for this project in the amount of \$35,000 for unforeseen future project events; such funds to be taken from the fiscal year 2016/17 Contingency Fund currently at \$98,500 and would be subsequently reduced by the \$35,000 subject to repayment to any unused funds.
3. Authorize the District Administrator to approve further change orders for this project within the newly created contingency fund subject only to reporting back to the Board after the fact.

Second: Director Guerrero

Action: Approved unanimously by roll call vote.

8. CLOSED SESSION

Legal Counsel Trujillo announced that the Board would be meeting in Closed Session.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Paragraph (1) of subdivision (d) of Government Code Section 54956.9]; (one case).

(1) 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)

Chairman Shoals opened the item to public comment.

Julie Tacker is hopeful the Board is close to putting litigation to bed.

Chairman Shoals closed the public comment.

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Chairman Shoals announced "that on a unanimous 3-0 vote the board has decided to settle the case with the Water Board. The Sanitation District and the Regional Water

Board have reached an agreement of the 2010 spill litigation and agree to pay to \$555,000 of penalty towards local and regional community projects of the \$1,190,000. This allows the District to not only settle but guarantees that 50% of the money to be paid, rather than all of it going to Sacramento, will be guaranteed to be spent locally improving the plant and to the benefit of local rate payers. The Board believes that given what they inherited, given the tough decisions and the process, this is a good as deal as they could have gotten. This settlement is a major accomplishment for the District and allows us to move forward on new initiatives including investing in the District's wastewater infrastructure and exploring ways to use our wastewater for beneficial use through future regional reclamation options. Whereas the original decision and order required the District to pay a \$1.19 million fine/penalty with the money going to Sacramento, this settlement guarantees that 50% (\$555,000) will be invested locally. This came about thorough diligent work of all the folks involved Board members and staff. Mr. Hubner was instrumental in being able to negotiate this agreement because of his relationships with the folks of the Regional Quality Board and because of his experience he was able to put forth and advise on projects that were likely to be approved by the Board of Directors. He has played a huge part in reaching this settlement and this agreement."

Director Hill thanked the members of the public for hanging in there. He echoed the comments of Chairman Shoals and thanked District Board, Regional Water Quality Control Board and Administrator Hubner for reaching this settlement which he thinks is in the best interest of all.

Alternate Guerrero joined those comments and thanked Mr. Hubner and Chairman Shoals for building this consensus and bringing this to a resolution.

There being no further business to come before the Board, Chairman Shoals adjourned the meeting at approximately 7:07 p.m.

THESE MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT THE MEETING OF SEPTEMBER 07, 2016.