

**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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Telephone (805) 489-6666 FAX (805) 489-2765
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**AGENDA
BOARD OF DIRECTORS MEETING**

Grover Beach City Hall Chambers
154 South 8th Street
Grover Beach, California 93433

Wednesday, March 1, 2017, at 6:00 p.m.

Board Members

John Shoals, Chair
Linda Austin, Vice Chair
Jim Hill, Director

Agencies

City of Grover Beach
Oceano Community Services District
City of Arroyo Grande

Alternate Board Members

Karen White, Director
Tim Brown, Director
Barbara Nicolls, Director

Oceano Community Services District
City of Arroyo Grande
City of Grover Beach

-
- 1. CALL TO ORDER AND ROLL CALL**
 - 2. PLEDGE OF ALLEGIANCE**
 - 3. AGENDA REVIEW**
 - 4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA**

This public comment period is an invitation to members of the community to present comments, thoughts or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters which are within the jurisdiction of the District. The Brown Act restricts the Board from taking formal action on matters not published on the agenda. In response to your comments, the Chair or presiding Board Member may:

- Direct Staff to assist or coordinate with you.
- Direct Staff to place your issue or matter on a future Board meeting agenda.

Please adhere to the following procedures when addressing the Board:

- Comments should be limited to three (3) minutes or less.
- Your comments should be directed to the Board as a whole and not directed to individual Board members.
- Slanderous, profane or personal remarks against any Board Member, Staff or member of the audience shall not be permitted.

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for

public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California Government Code §54954.2, requests for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the District Administrator or Bookkeeper/Secretary at (805) 481-6903. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

5. CONSENT AGENDA:

The following routine items listed below are scheduled for consideration as a group. Each item is recommended for approval unless noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Board Member may request that any item be withdrawn from the Consent Agenda to permit discussion or to change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

5A. Approval of Warrants

5B. Approval of Minutes of Meeting of February 15, 2017

6. ACTION ITEMS

6A. Approval of Minutes of Meeting of December 21, 2016

6B. DISTRICT & PLANT SUPERINTENDENT REPORT

Receive and File Report

6C. FISCAL YEAR 2016/17 SECOND QUARTER (MID-YEAR) REVIEW BUDGET PERFORMANCE REVIEW

1. Receive a presentation on the 2nd Quarter Budget Performance and review of recommended budget adjustments; and
2. Adopt Resolution No. 2017-363 authorizing the budgeting adjustments as detailed in Exhibit No. 1

6D. CORRECTIONS TO EXHIBIT "A" CONTRIBUTIONS ON BEHALF OF EMPLOYEE, AND THE 2016-2017 SALARY RANGE MONTHLY COMPENSATION TABLE AS CONTAINED AS PART OF RESOLUTION NO. 2016-349

Consider and approve corrections to Exhibit "A" Contributions on Behalf of Employee, and 2016-2017 Salary Range Monthly Compensation Table contained within Resolution No. 2016-349

6E. REQUEST BY THE CITY OF ARROYO GRANDE TO PARTICIPATE IN JOINT INVESTIGATION

District Co-Counsel recommends the Board of Directors consider the City of Arroyo Grande's request to participate in an independent joint investigation of alleged misconduct by the Mayor of Arroyo Grande concerning his representation on the District Board and give direction to staff.

7. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section 54957.6. Agency designated representative: District Administrator

Employee Organizations: Service Employees International Union (SEIU) Local 620, Non-represented Management and Non-Represented Employees.

8. ADJOURN MEETING

The next regularly scheduled Board meeting on March 15, 2017, 6 pm at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
03/01/2017 FY 2016/17

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ARAMARK	UNIFORMS	1/20/17; 2/10/17; 2/17/17	030117-1968	7025	610.74	610.74
AT&T	COMMUNICATIONS	12/25/16-1/24/17	1969	7013	286.35	286.35
CALPERS	EMPLOYEE HEALTH	2230	1970	6010	18,341.81	18,341.81
CARRS BOOTS	UNIFORMS	1288	1971	7025	125.00	125.00
CHARTER	COMMUNICATIONS	TRAILER	1972	7013	204.27	204.27
FARM SUPPLY	EQUIPMENT MAINTENANCE	43846	1973	8030	40.52	40.52
FED EX	CHEMICAL ANALYSIS	5-711-67180	1974	7078	17.13	17.13
HILTI	TOOLS	4608974433	1975	8055	143.72	143.72
JB DEWAR	FUEL	838462	1976	8020	142.27	142.27
JIM HILL	BOARD SERVICE	FEBRUARY	1977	7075	200.00	200.00
JOHN SHOALS	BOARD SERVICE	FEBRUARY	1978	7075	200.00	200.00
KAREN WHITE	BOARD SERVICE	FEBRUARY	1979	7075	100.00	100.00
LARA HR SERVICES	PROF. SERVICES	DECEMBER; JANUARY	1980	7076	5,340.00	5,340.00
LIEBERT CASSIDY WHITMORE	OUTSIDE COUNSEL	1435337	1981	7070	245.00	245.00
LINDA AUSTIN	BOARD SERVICE	FEBRUARY	1982	7075	100.00	100.00
OEC	CHEMICAL ANALYSIS	1700585	1983	7078	228.00	228.00
POLYDYNE INC.	PLANT CHEMICALS	1113078	1984	8050	5,821.53	5,821.53
SAFETY KLEEN	CHEMICAL ANALYSIS	72585480	1985	7078	162.40	162.40
SPRINT	COMMUNICATIONS	JANUARY	1986	7014	219.09	219.09
STATE FUND	WORK COMP INSURANCE	FY 15/16 ADJUSTMENT	1987	7075	2,920.03	2,920.03
TOTAL COMPENSATION SYSTEMS	FISCAL SERVICES	GASB 68	1988	7083	400.00	400.00
USA BLUEBOOK	LAB SUPPLIES	178857	1989	8040	218.02	218.02
VWR	LAB SUPPLIES	2017-002	1990	8040	186.49	321.91
	SAFETY SUPPLIES	2017-003		8056	135.42	
WATER SYSTEMS CONSULTING	RECYCLED WATER FACILITIES	2398	1991	20-7090	9,728.35	9,728.35
WINEMA INDUSTRIAL SUPPLY	EQUIPMENT MAINTENANCE	774	1992	8030	340.76	340.76
SUB TOTAL					\$ 46,456.90	\$ 46,456.90
	PAYROLL 02.03.17	\$29,957.17				
	PAYROLL 02.17.17	\$29,815.25				
GRAND TOTAL					\$ 46,456.90	\$ 46,456.90

We hereby certify that the demands numbered serially from 030117-1968 to 03017-1992 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE: _____

Chairman

Board Member

Board Member

Secretary

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Grover Beach City Hall Chambers
154 South 8th Street,
Grover Beach, CA

Minutes of the Meeting of Wednesday February 15, 2017
6:00 P.M.

1. CALL. TO ORDER AND ROLL CALL

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

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

2. FLAG SALUTE

3. AGENDA REVIEW

Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened public comment period.

Julie Tacker asked when the Recycled Water Project with Pismo Beach would be agendized and asks that the recycled water facility be located away from the coast.

Brad Snook spoke on behalf of the Surf Rider Foundation. He suggested that the North City Management Agency use a standardized report.

Shirley Gibson recommended that the District partner with the City of Arroyo Grande for an investigation concerning allegations of a Brown Act violation.

Ron Holt recommended the Board look into becoming a five-member Board.

Chairman Shoals closed public comment.

5. CONSENT AGENDA

5A. Approval of Warrants

5B. Financial Review at January 31, 2017

5C. Plant Superintendent Report

Director Hill asked to remove Item 5C Plant Superintendents Report from the Consent Agenda.

Chairman Shoals opened public comment period on Items 5A and 5B.

Julie Tacker commented on the legal bills.

Chairman Shoals closed the comment period.

Motion: Director Hill made a motion to approve Items 5A and 5B.

Second: Alternate White

Action: Approved unanimously by roll call vote

5C. Plant Superintendent's Report

Administrator Hubner presented the Plant Superintendent's Report.

Director Hill believes it is a benefit to having Mr. Clemons give the Superintendent's Report. He asked why the Superintendent's Report was moved to the Consent Agenda.

Administrator Hubner explained that it was moved for two reasons: 1) because there was no District Administrator's Report that usually accompanies the Superintendent's Report, and 2) this meeting had a full agenda to consider. Therefore, to best utilize the Board's time, the Superintendent's Report was moved to the Consent Agenda.

Chairman Shoals opened the public comment period.

Julie Tacker commented on the Superintendent's Report.

Chairman Shoals closed the public comment period.

Action: The Board received and filed this report.

6. ACTION ITEMS:

6A. Approval of Minutes of Meeting of December 21, 2016

Chairman Shoals opened the public comment period.

Julie Tacker, Patricia Price, Mary Lucey, Shirley Gibson and Ron Arnoldson commented on these minutes.

Chairman Shoals closed the comment period.

Motion: Director Hill made a motion to approve the minutes with the attachments.

Second:

Action: Motion failed due to a lack of a second, and these minutes will be tabled until the next meeting.

6B. Approval of Minutes of Meeting of January 04, 2017

There was no public comment on this item.

Motion: Director Hill made a motion to approve the minutes of the Meeting of January 04, 2017
Second: Alternate White
Action: Approved unanimously by voice vote

6C. Approval of Minutes of Meeting of February 1, 2017

There was no public comment on this item.

Motion: Director Hill made a motion to approve the minutes of the Meeting of February 01, 2017
Second: Alternate White
Action: Approved unanimously by voice vote

6D. CALENDAR YEAR 2016 ANNUAL REPORT TO CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD

Administrator Hubner gave a PowerPoint presentation on this item.

Chairman Shoals opened the public comment period.

Julie Tacker, Mary Lucey, and Ron Arnoldsen provided positive feedback on this item.

Chairman Shoals closed the public comment period.

Action: The Board received and filed this report.

6E. CONTRACT WITH REGIONAL GOVERNMENT SERVICES FOR HUMAN RESOURCES PROFESSIONAL SERVICES

Administrator Hubner gave a PowerPoint presentation on this item.

Chairman Shoals opened the public comment period.

Julie Tacker and Mary Lucey commented on this item.

Motion: Director Hill made a motion to approve the contract with Regional Government Services to Provide Human Resources Professional Services for the District.

Second: Alternate White

Action: Approved unanimously by roll call vote.

6F. PROPOSED RESOLUTION NO. 2017-362 TO ALLOW DISTRICT EMPLOYEES TO PARTICIPATE IN A CALPERS' 457 DEFERRED COMPENSATION PLAN

Administrator Hubner gave a PowerPoint presentation on this item.

Chairman Shoals opened the public comment period.

Ron Arnoldsen spoke in favor of this item.

Chairman Shoals closed public comment.

Motion: Director Hill made a motion to approve Resolution No. 2017-362 to allow District employees to participate in a CalPERS' 457 Deferred Compensation Plan.

Second: Alternate White

Action: Approved unanimously by roll call vote.

6G. ANNUAL REVIEW AND UPDATE TO DISTRICT'S BOARD OF DIRECTORS BYLAWS

District Co-Council Trujillo presented the staff report on this item.

Chairman Shoals opened the public comment period.

Julie Tacker, Kris Victorine, Amanda Rice, and Ron Arnoldsen provide comments on this item.

Chairman Shoals closed the public comment period.

District Co-Council Trujillo responded to questions from the Board.

Motion: Chairman Shoals made a motion to approve staff recommendation with amendments as proposed in Attachment 1 to the staff report.

Second: Alternate White

Action: Approved by the following roll call vote

Yes: Shoals

Yes: White

No: Hill

6H. DISTRICT'S BRINE DISPOSAL PROGRAM AND CAMBRIA COMMUNITY SERVICE DISTRICT'S APPLICATION FOR A BRINE WASTE DISPOSAL PERMIT

Administrator Hubner gave a PowerPoint presentation on this item.

Chairman Shoals opened the public comment period.

Tina Dickason submitted a letter requesting that it be included in the record.

Brad Snook, Julie Tacker, Mary Lucey, Amanda Rice and Ron Arnoldsen commented on this item.

Chairman Shoals closed the public comment period.

Action: The Board received and filed this report

District Co-Counsel Trujillo informed the Board of a request by the City of Arroyo Grande to participate in a joint investigation of an alleged Brown Act Violation and recommended that the Board place this matter on a future agenda to consider the request.

Chairman Shoals and Alternate White requested this item be placed on the next regular agenda.

7. ADJOURNMENT

This meeting adjourned at 8:19 pm.

The next regularly scheduled Board meeting on March 1, 2017, 6 pm at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433

THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.

DRAFT

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday December 21, 2016
6:00 P.M.

1. CALL. TO ORDER AND ROLL CALL

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

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

2. FLAG SALUTE

3. AGENDA REVIEW

Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened public comment period.

Julie Tacker commented on Cambria CSD's Brine Disposal project, the Recycling Project, and capital funding for the Redundancy Project.

Chairman Shoals closed public comment.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of November 16, 2016

5B. Approval of Minutes of Meeting of December 07, 2016

5C. Approval of Warrants

Administrator Hubner informed the Board that he has directed staff to return the Washer/Dryer listed on the Warrant Register, and a refund/credit will appear on a future statement.

Chairman Shoals opened public comment period.

Julie Tacker commented on Item 7B, minutes from December 07, 2016 Board meeting, and the Jessica Matson warrant.

Chairman Shoals closed the comment period.

Motion: Director Hill made a motion to approve the Consent Agenda with one modification to December 07 meeting. Item 7B Public Comment has been

corrected to reflect that various individuals spoke against Item 7B.

Second: Director Austin

Action: Approved unanimously by roll call vote.

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner provided update on NPDES permit renewal, Grit Removal Project, Satellite Facility Grant Study, Coastal Development Permit waiver for the Admin. Trailer and the Sea-Train, Regional Efforts, Personnel Policy Manual, and announced Fanny Mui received the Tri Counties Lab Person of the Year Award.

The Board had a discussion on the update of the Personnel Policy and Job Descriptions and having that work expedited. A majority of the Board did not direct staff to expedite the schedule for updating the PPM and job descriptions, rather to follow the schedule contained in the adopted Resolution on the subject.

Plant Superintendent reported on effluent plant data, operational maintenance, and training.

Chairman Shoals opened public comment period.

Julie Tacker and Ron Arnoldsen commented on District Administrator and Plant Superintendent's Report.

Chairman Shoals closed public comment.

The Board received clarification on the Cambria CSD Brine Project. The Board will be briefed once an application is received.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. APPROVAL OF WASTEWATER BILLING AND CONNECTION FEE AGREEMENT(S) WITH THE CITIES OF GROVER BEACH AND ARROYO GRANDE

1. Approve the City of Grover Beach Billing Agreement
2. Approve the City of Arroyo Grande Billing and Collection Fee Agreement

There was no public comment on this item.

Motion: Director Hill made a motion for approval of 7A as presented.

Second: Director Austin

Action: Approved unanimously by roll call vote.

7B. ELECTION OF CALENDAR YEAR 2017 BOARD OFFICERS

Consider and elect a Chair and Vice-Chair for 2017 Calendar Year

Chairman Shoals opened public comment period.

Julie Tacker and Patricia Price spoke in favor of Director Hill being Chairman.

Nancy McNeil and Mary Lucey spoke in favor of Director Shoals continuing as Chairman.

Chairman Shoals closed public comment.

Motion: Director Austin made a motion to elect Chairman Shoals as Chairman.

Second: Chairman Shoals

Action: Approved unanimously by roll call vote.

Motion: Chairman Shoals made a motion to elect Director Austin as Vice Chair.

Second: Director Hill

Action: Approved unanimously by roll call vote.

8. MISCELLANEOUS WRITTEN COMMUNICATIONS

1. Letter from Mary Lucey

Administrator Hubner announced that there were three more letters submitted.

1. Received from Julie Tacker
2. Received from Lindsey Westbrook
3. Received from Kris Victorine

Ron Arnoldsen submitted a news article to be included into record.

Chairman Shoals opened public comment period.

Julie London, Julie Tacker, and Patricia Price did not agree with the statements Mary Lucey made in her letter.

Nancy McNeil supported Mary Lucey's letter

Mary Lucey read her letter into the record and submitted a signature page.

Chairman Shoals closed public comment.

Administrator Hubner announced that future meetings will be held in Grover Beach City Hall Chambers located at 154 South 8th Street, Grover Beach.

9. ADJOURN MEETING

This meeting adjourned at 7:30 pm.

The next regularly scheduled Board meeting on January 04, 2017 6 pm at the Grover Beach City Hall Chamber located at 154 South 8th Street, Grover Beach, California

THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.

DRAFT

December 19, 2016

Dear SSLOCSD Board of Directors,

In light of Mary Lucey's (December 15) letter attached to Wednesday's staff packet, I'd like this response read into the record too.

I would like to remind the board that in 2015 your Plant Superintendent was harassed by racist emails from a former staffer. The chair at the time, Mayor Jim Hill, reacted swiftly and got police involved. <https://calcoastnews.com/2015/03/exclusive-former-sanitation-plant-manager-tied-to-racially-charged-emails/>

Later that year, when Jeff Edwards (exercising his 1st Amendment right to free speech that is also protected by the Brown Act) metaphorically spoke at the podium about your then District Administrator, Rick Sweet, going "off the reservation" as his bias towards Oceano CSD continuing to inequitably bill your district customers, when (then) Director Lucey shot back from the dais. Then, Vice-Chair Shoals, presided over that meeting and allowed Ms. Lucey to ramble on about her Native American heritage and her being born on a reservation, then allowed her to call Mr. Edwards a "bigot."
<https://calcoastnews.com/2015/07/south-county-billing-dispute-erupts-with-allegation-of-racism/>

Ms. Lucey's December 15th letter suggests that Mr. Hubner has been defamed by the CalCoastNews December 4, 2016 headline, "Sanitation district administrator accused of racism" <https://calcoastnews.com/2016/12/sanitation-district-administrator-accused-racism/>, and wants the board to make some further statement in Hubner's defense. But, Lucey fails to find the irony that it was she that defamed the district's Superintendent, John Clemons, a black man, when she went online <https://www.slotruth.org/2016/09/16/jim-hill-new-town-same-old-tricks/> misrepresented facts reflecting poorly on Clemons and Mayor Hill. In my opinion, this article triggered the whole mess that became an investigation of Hubner and how he treats Clemons. Let me remind you that I was one of three citizens who were contacted by the investigator from Liebert, Cassidy and Whitmore. She suggests, "The damage done to this man's reputation, along with the time and money wasted on this is despicable." Again, I have to opine, it was she who set the wheels of this investigation in motion with her defamation of both Clemons and Hill. She even went so far as to suggest that since Clemons was a candidate for the Oceano CSD that his employment/personnel matters were now open to the public.

Lucey also suggests the article on CalCoastNews, "publicity is doing damage to the district and it's [sic] reputation in the business world." She wants the "Board come out and show support for this Administrator...", yet it was perfectly OK for her to defame Clemons and Hill and call Edwards a "Bigot". At the December 7 meeting she stated that she will

“never apologize” for her opinion piece and further defamed Clemons and Ms. Simpson by suggesting their personal relationship was compromising their professional relationship and the district needed to have the unpermitted trailer for that reason. This was an assertion she had also made when the budget discussion included offsite offices. To my knowledge, Clemons and Simpons personal relationship has had no bearing on matters of the district.

Lucey’s letter is written using a mix of the words “I” and “we” throughout and signs “and the residents of Oceano.” She also says, “Many in the community of Oceano have been paying close attention to the operations of the Sanitation District since the flood of 2010.” Since 2010 the minutes of the meetings reflect very few members of the Oceano community actually participate in SSLOCSD meetings. Most of their interest has related to the homeless encampments in and around the district’s property and early this year a few attended the meeting that identified delinquent Oceano accounts, including two of hers.

Your board stated “The District takes all complaints of discrimination very seriously. Discrimination on the basis of any legally protected status not only violates the law but also violates the District policy and undermines efficient operations. Therefore attorneys for the District commissioned an independent investigation of complaints of discrimination presented to the District. There have been no sustained complaints of discrimination.” This statement suffices and fulfills Lucey’s request. The real question is when will she retract her statements against Edwards, Clemons and Hill?

Thank you for your consideration of these important facts.

Julie Tacker

Amy Simpson

From: Lindsey Westbrook <lindseywestbrooks@gmail.com>
Sent: Tuesday, December 20, 2016 12:14 PM
To: Amy Simpson
Subject: Board pack 12/21/2016

December 19, 2016

To: South County Sanitation District Board of Directors:
Chairman, Mayor Shoals, Grover Beach
Director: Mayor Hill, Arroyo Grande
Director: Linda Austin, Oceano Community Service District

Dear Directors,

I request this correspondence be included in your board packet for December 21, 2016 and to

please have it verbally read into the record.

Many in the community of Oceano have been paying close attention to the operations of the

Sanitation District since the flood of 2010.

After a long and costly investigation by The State of California, and after several years of litigation

it is being brought to closure.

For the past few years after the abuse of power from John Wallace at South County Sanitary had begun to heal. Until the hiring of Hubner in early April 2016.

I am speaking up today against Hubner. It is imperative that we maintain the highest standards of the plant and Hubner falls well below those standards.

Since he has become administrator multiple employee complaints have been filed against Hubner. He has proven that he is unable to effectively manage even the smallest of staff at our plant. He has continually shown his inability to manage and is putting South County Sanitary in jeopardy of legal troubles. His administrative costs are skyrocketing. I would hope with the employment of a full-time administrator that he would be able to effectively supervise and run projects. He has failed to do so.

I have a voice. I demand that the best qualified person with the most experience oversee ALL plant operations. Hubner is not that person.

I would like to see the Board come out and terminate his contract as administrator. At minimum I ask

that the Board as a whole give him direction, under the guidance of the chairperson of the Board on how to effectively manage staff and improve morale while cutting back on cost of hiring outside consultants. As a full-time administrator Hubner should be able to conduct these small projects (like writing a newsletter) and not incur these additional costs to our district.

My wish is that Hubner would use his most qualified staff to operate the plant. Listen to their advice and learn to properly manage staff without leaving the district open to lawsuits.

In closing I would like to add that this District needs professionalism Hubner has been unable to show his ability to have any. I also find it troubling that one of the boards past representatives Mary Lucey feels that she can write the board sleek as though she spells for all Oceanans. I assure you she does not!

Thank you for your time.

Respectfully submitted,

Lindsey Westbrook
A resident of Oceano

Amy Simpson

From: South San Luis Obispo County Sanitation District <sslocsd@sslocsd.org>
Sent: Tuesday, December 20, 2016 10:22 AM
To: Gerhardt Hubner; Amy Simpson; jess04811@gmail.com
Subject: Contact Form submission from sslocsd.org

Name

Kris Victorine

Email

KrisA500@aol.com

Subject

Response to Mary Lucy Letter to the Board

Message

December 20, 2016
Reference: Mary Lucy's letter dated December 15, 2016

South San Luis Obispo County Sanitary District
1600 Aloha Place
Oceano, CA 93445

Dear SSLOCSD Board of Directors,

Please include this correspondence in the December 21, 2016 board packet and also read into the record.

I first want to make it clear that, as a resident of Oceano, Mary Lucy does not speak for me. If she, in fact, is speaking for any Oceano residents, their names should have been noted in the correspondence.

First, I would like to note that accusations of racism should always be taken seriously and investigated; everyone deserves a voice. If the complaints were, indeed, determined to be 'false accusations' and a personal attack on Mr. Hubner, I believe the investigation and Mr. Shoals comments after closed session would have been harsher. The Board stated that "There was no sustainable proof of discrimination," not that the complaints were completely unsubstantiated. I have concerns about the 'leadership climate' at the plant.

Second, I am very concerned about the fiscal stewardship of Mr. Hubner. The cost of running the plant is increasing. I would like to see the cost/benefit justification for the increases. I have been paying attention to the operations of the Sanitation District, like Mary Lucy stated, however, I'm sorry to say, not enough attention. I will rectify that.

Lastly, the Board does not owe Mr. Hubner an apology. They did their job; they took employee complaints seriously and responded appropriately to the investigation results.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765

Date: March 1, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator & John Clemons, District Superintendent
Subject: **DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

Today's report presents ongoing information on latest Direct staff activities of possible interest to the Board and members of the public, major capital project and studies updates, programmatic initiatives, regional collaboration, NPDES discharge permit renewal, our regular Superintendent report, and operation and maintenance activities. *Updates since the last report are provided in italics below:*

Major Capital Projects and Studies:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project:**

CEQA: Status: Complete. Board approved MND at its September 7, 2016 meeting.

Regulatory permits: RWQCB permit received, *CFWD permit by February 27th.*

Final Design and Bid Package: On hold. Final design, cost estimate, specifications and bid package are on hold pending CDFW permit to reduce costs, and ensure conditions contained in final CDFW permit are reflected in bid package. *Note: Staff contacted our engineering consultant Garing Engineers last week to get a project update, and learned that a new engineer has been assigned (previous engineer retired). We don't anticipate this will affect the overall schedule.*

- **Grit Removal System: Status: Operational and Complete.**

A draft transmittal to the RWQCB with cost data on the now operational Grit Removal Project (in conformance with the RWQCB's Settlement SEP provisions) has been completed and expected to be sent shortly. This action, when approved by the RWQCB, will complete our obligations under Settlement Agreement. The final project record drawings will be delivered next week.

- **Mechanical Bar Screen** – Status: *Underway and on Schedule*

A contract was awarded to FFR, with a notice to proceed issued on November 8, 2016 (contract allows 140 working days to complete). Equipment is expected to arrive the week of April 10th, and be installed the week of May 2nd. Start up and testing of the bar screens is expected the week of May 22nd, with final demobilization by the end of May.

- **Redundancy Project:**

Design: On March 16, 2016, the Board approved a design contract with Kennedy Jenks for Phase I of this project. Phase I includes: assistance with CEQA, permitting, special studies, geotechnical and surveying. Later design phases are on hold until project permitting is completed.

Coastal Commission Permitting:

- On August 5, 2016, responses to the Coastal Commission staff's April 15th letter to our Coastal Development Permit application were submitted. This submittal also included five attachments (site plans, biological surveys, sea level rise analysis, flood risk mitigation strategy, and site photos).
- On August 16, 2016, a one-page form from the County of San Luis Obispo on its permitting determination was transmitted.
- On September 9, 2016, our CEQA Addendum, and supplemental information requested by Coastal Commission staff, was transmitted via a cover letter.
- On October 13, 2016, a response from Coastal Commission staff to our September 8th submittal was received.
- On October 21, 2016, via cover letter answers to questions posed, and updated project facility design plans were provided to Coastal Commission staff. The later transmittal also included updated project descriptions, and further included project design plans on past and proposed projects at the District's facility.
- On January 24, 2017, a letter (Attachment No. 1) was sent to Coastal Commission staff requesting an update on the status of our CDP application.
- On January 26, 2017, District staff had a phone conversation with Coastal Commission staff. CC staff reported to us that the CDP is targeted for consideration at their May 2017 Commission meeting.

A meeting with the project team to prepare for the upcoming May Coastal Commission hearing is scheduled for February 28th.

CEQA: Status: Complete. At the September 7, 2016 Board meeting, the Board approved an CEQA Addendum to the 2010 Mitigation Negative Declaration.

Financing: At the October 5, 2016 Board meeting, the Board approved authorization to proceed with a contract with Bartle Wells Associates for assistance in preparing the financial package and evaluating other financial options. *On February 15th, we received preliminary draft tables from BWA. Subsequently, we will be working with BWA in the coming weeks to finalize this information.*

- **Recycled Water Planning Facilities Study Grant:** On January 4th the Board held a workshop and presented the highlights on the Draft Study. On January 24th, District staff

jointly presented with City of Arroyo Grande staff, and WSC consultants the Draft Study. The completion of this Study and Report is considered a major milestone in this multi-year effort. On January 11th, per Board feedback and directive, District staff submitted the Draft Study to the SWRCB for their review. *Staff will be contacting SWRCB staff at the beginning of March as follow-up to receive any comments, with the intent thereafter to transmit them to WSC for a Final Report/Study.*

- **District Control Building and Office** – Significant issues and problems are evident in the District's Operational and Administrative Building. Identified issues include: Strong and persistent odors, noise and disruption from brine disposal trucks, multiple leaks in the ceiling/roof, mold, old desks and chairs (some decades old), old and stained carpets and flooring, infestation of pests, bubbling and peeling paint, break room/kitchen deterioration, identified leaks in the indoor plumbing, insufficient and overlapping utilization of space for administration vs. operations, IT integration, file storage, and others.

District staff are in the process of soliciting professional services for an audit of the existing building for disabled access and 2016 Building Code compliance. It is estimated the cost will be approximately \$4,000. The intent of the audit is to provide observations and recommendations for any proposed corrected actions. Any major correction actions would likely need to come to the Board at a future date for funding.

- **New Capital Projects:** Staff has initiated several new capital projects including:
 - *Concrete Sludge Lagoon: Contained within the FY 2016-2107 Adopted Budget (\$60,000), preliminary engineering and design work is complete, and now awaiting Coastal Commission permitting approval. Final award of contract will still need Board approval before proceeding to construction.*
 - *Primary Digester No. 1 Cleanout and Structural Evaluation: The District has two primary digesters at its facility. Primary Digester No. 1 (constructed in 1965) is long overdue for its regular clean out and inspection (last completed in 2005). In addition, staff and our consultant engineering firm MKN, are concerned with its structural integrity. Therefore, staff has undertaken discussions with MKN to complete two phases of work. The first phase is to solicit services, through a Request for Bid and preparation of specifications, for the cleanout of the digester. The second phase will involve, after cleanout, an inspection and structural survey to determine the digester's structural integrity. Recommendations for any repairs are also proposed as part of this second phase.*

Programmatic Initiatives

- **Outreach Initiative:** *On February 23rd, District staff, at the request of the Oceano CSD's General Manager, provided a presentation to the Oceano CSD's Board of Directors on the District current activities, our proposed Redundancy Project, and the recently completed Draft Recycled Water Planning Facility Study Grant.*
- **Record's Management Initiative:** *Staff has completed an administrative draft (which completely revamps our existing Record's Retention Policy). On February 14th, the SLO District Attorney's office returned borrowed files back to our C-Train. Staff has also retained an expert in sanitation district records, who will start the 3rd week in March, to provide us with*

an evaluation on the current state of our files and records, feedback on our draft Record Retention Policy, and provide other recommendations.

- Human Resources/Personal Policy Manual Update: *Significant progress continues in updating the District's Personnel Policy Manual to meet the six-month deadline of April 19th. All Sections of PPM have now been reviewed with proposed revisions. Recent focus has been on reviewing and updating the job descriptions. Note: The proposed revised sections of the Manual will also need further vetting internally, and through a "meet and process" with employee union representatives.*
- Strategic Planning Initiative: *In preparation for an upcoming Strategic Planning Workshop Board members, staff, City and General Managers from our member agencies were interviewed and/or surveyed. These interviews and surveys were captured through written input on questions such as what is the future mission of the District, long term vision, strengths, weaknesses (or limitations), opportunities and threats to the District, most important guiding values, priority goals and key outcomes to achieve in the next five years. The Workshop is now scheduled for one of the Board's May meetings.*

- Financial Initiative:

Annual Fiscal Year 2015-2016 Audit: Auditors from Glenn Burdette, under contract to the District, were at our office February 21st. One topic of focus was on how to handle (account for) the 2010 Spill/ACL/RWQCB Settlement. When the draft Audit is made available to District staff, staff will still need to respond to any findings, and prepare a management summary. The draft Audit report is expected to be completed by early March, and we anticipate taking the Audit to the Board at the April 5th meeting.

GASB 68 Accounting Report/Pension: The District is required to complete the GASB 68 Report, which evaluates and reports our pension obligations and liabilities. This Report is also necessary for the Glenn Burdette auditors to complete their Fiscal Year 2015-16 Audit. The firm Total Compensation Systems, Inc. is completing this Report due to its familiarity with District finances (recently they completed the Post-Retirement GASB 43/45 Report for the District), cost and ability to meet our timeline. A draft Report was received on February 13th, and transmitted to our Auditors for review and feedback.

Regional Collaboration

- **Regional Groundwater Sustainability Project (RGSP):** *This project consists of a potential future regional recycling project in the South San Luis Obispo County area in conjunction with the City of Pismo, and the District (which participation of our members agencies:, Cities of Arroyo Grande, Grover Beach, and Oceano CSD) On February 23rd, staff was invited to participated in a meeting with the staff from the Cities of Pismo, Arroyo Grande and Grover Beach to discuss the RGSP, District's participation in a joint Environmental Impact Report for the RGSP, cost sharing, and roles and responsibilities. On February 16th, District staff (with others) reviewed submitted EIR proposals on the RGSP, and participated in an interview with the top consultant firm.*
- **North Cities Management Area Technical Group -** *The NCMA TG, which includes representatives from the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the Oceano Community Services District, was formed as a result of the Santa Maria Groundwater*

Basin (SMGB) Adjudication. This group is exploring various ways to protect and enhance future water supplies in the basin through groundwater monitoring, and the collection and analyzing of data pertinent to water supply and demand. *Recent focus has been on the development of a groundwater model using District's SEP funds, and getting RWQCB buy-in on the workplan for development of the model. The group recently met on February 10^t with staff's participation via teleconference.*

- Water Reuse, Central Coast Chapter - The Association is a not-for-profit association (501c6) of utilities, government agencies and industry that advocates for laws, policies and funding to promote water reuse. *On February 23rd, a lunch time meeting of the Water Reuse Leadership committee met to plan for upcoming Central Coast Chapter meetings. The Annual Conference in San Diego will be held March 19th to 21st.*
- Zone 1-1A Flood Control Advisory Committee – The Committee focus is to provide input and coordination on proposed improvements and maintenance of the Zone 1/1A flood facilities, working with the Coastal San Luis Resource Conservation District. At the June 15, 2016 Board meeting, the Board approved District staff participation. *Staff attended the February 21st meeting at the Sheriff's office in Oceano. The main topics of discussions were the recent storms and impacts of flooding in the watershed, channel maintenance, an update on the water management program alternative 3a/mod 3c, and consultation with federal resource agencies. Of particular interest was the announcement of a proposed flood control retention basin near the District's facility.*
- Integrated Water Resource Management (IRWM) – Integrated Regional Water Management (IRWM) is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale. At the July 6th Board meeting the Board approved the District's participation in the IRWM program. *The next scheduled meeting is April 5th.*
- San Luis Obispo County Flood Control and Water Conservation District Water Resources Advisory Committee – *The next scheduled meeting is March 1st.*
- Countywide Water Action Team/Water Management Efforts: Water managers throughout San Luis Obispo County meet quarterly to discuss and collaborate on water supply management solutions. *The next meeting is scheduled for March 24th.*

RWQCB NPDES Permit Renewal:

On December 15, 2016, District and RWQCB staff met at the RWQCB's office to discuss the District permit renewal process and schedule. A draft permit is not likely to be released for public review sooner than mid to late 2017. *Per a request from RWQCB staff, District staff participated in a meeting on February 17th at their office to discuss the current District's Brine Disposal Program, and potential changes to the Program.*

Superintendent's Report

During this reporting period (February 1st through February 23rd, 2017) the District's facility continues to regularly meet its Permit Limitations as required under the State of California's National Pollution Elimination Discharge (NPDES) Permit issued to the District. All process values (lab test results) were within permit limits.

Plant Data (Monthly Data as Available February 23rd), 2017

February 2017	INF Flow MGD	Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	BOD REM Eff. %
Average	2.73	4.1	474	26	437	28	2.5	203	95
High	3.41	5.2	529	34	480	33	4.5	250	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2016 Monthly									
Average	2.23	3.42	448	31	431	35	27	313	93
High	2.54	4.8	488	40	461	45	126	273	

**Limit – 40/60/90 represent NPDES Permit limits for the monthly average, weekly average, and instantaneous value for plant effluent BOD and TSS.

Operation and Maintenance Projects

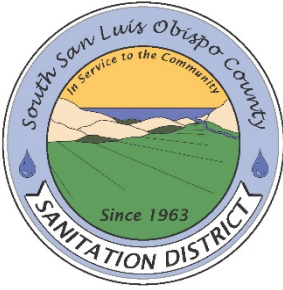
- Troubleshoot Primary clarifier #2 Sludge pump and wiring.
- Repaired damaged wires at primary clarifier #2.
- Drained and refilled primary clarifier #1.
- Unplugged sludge line.
- Conducted Surplus sale.
- Fabricated hydraulic valve handle.
- Repaired float in #1 storm drain sump.
- Cut down fallen trees.

Training

- Staff participated in a Black Widow/Brown Recluse Spider awareness training.

Call Outs

- February 16th, 3:10am – Secondary Digester Sump Hi Level Alarm. Operator III Jackman responded. Pumped down sump. Reset alarm.
- February 18th, 12:04am – Sec. Digester Sump Hi Level Alarm. Operator III Jackman responded.
- February 18th, 11:08pm – Sec. Digester Sump Hi Level Alarm. Operator III Jackman responded.



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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Staff Report

Date: March 01, 2017
To: Board of Directors
From: Amy Simpson, District Bookkeeper/Secretary
Via: Gerhardt Hubner, District Administrator
Subject: **FISCAL YEAR 2016/17 SECOND (2ND) QUARTER BUDGET PERFORMANCE REVIEW**

Recommendation:

1. Receive a report on the 2nd Quarter Budget Performance and review of the recommended budget adjustments; and
2. Adopt Resolution No. 2017-363 authorizing the budgetary adjustments as detailed in Exhibit A.

Executive Summary:

On December 31, 2016, the District Fiscal Year 2016/17 2nd Quarter closed. Today's staff report provides an overview of the District's Budget Performance as it pertains to its Revenues, Expenditures, and Cash Balance as of December 31, 2016. Accounting information July 1, 2016 to December 31, 2016), is contained below in the following tables. Table No. 1 contains the District's performance regarding Revenues, Table No. 2 contains overall expenditure performance through the 2nd Quarter, and Table No. 3 contains Transfer from Fund 19 to Fund 26. and Table No. 4 Fund Balance.

Through the 2nd Quarter (Mid-Year), the District overall expended 44% of its budgeted expenditures (at the 50% Benchmark).

Table No. 1 – Revenues

	FY 2016/17 Budget	Received		Recommended 2nd Quarter Adjustments
		as of 12-31-16		
		Amount	Percent	
Fund 19	\$4,457,200	\$2,270,380	51%	(\$20,200)
Fund 20	\$187,800	\$76,273	41%	0
Fund 26	\$0	\$0		0
Total	\$4,645,000	\$2,346,653	51%	\$4,624,800

Table No. 2 - Expenses

	FY 2016/17 Budget	Expended		Recommended 2nd-Quarter Adjustments
		as of 12-31-16		
		Amount	Percent	
Fund 19	\$3,909,700	\$2,308,079	59%	0
Fund 20	\$2,362,700	\$791,096	33%	0
Fund 26	\$946,200	\$62,793	7%	0
Total	\$7,218,600	\$3,161,967	44%	0

Table No. 3 – Transfers

	FY 2016/17 Budget	Transferred		Recommended No Adjustment
		as of 12-31-16		
		Amount	Percent	
Fund 19	\$561,200	\$280,600	50%	0
Fund 26	(\$561,200)	\$280,600	-50%	0
Total	\$0		0%	0

Table No. 4- Fund Balance

	FY 2016/17 Budget	Current Fund Balance Avail. as of 12-31-16 Amount	
Fund 19	\$1,190,000	\$749,127	
Fund 20	\$4,015,000	\$3,960,000	
Fund 26	\$385,000	\$385,000	
Total	\$5,590,000	\$5,094,127	

Analysis:

The following accounts listed below were significantly less than budgeted amount at close of the 2nd quarter.

1. Account No. 19-6025 Student Interns: 19.2%. We are recommending a decrease of \$4,000 for a total budget of \$1,000.
2. Account No. 19-6095 Unemployment Reimburse: 28%. We are recommending a decrease of \$6,000 for a total budget of \$8,000.
3. Account No. 19-7005 Advertising/Legal Recruitment: 5%. We are recommending a decrease of \$5,000 for a total budget of \$5,000.
4. Account No. 19-7060: Ocean Outfall Main: 50%. We are recommending a decrease of \$20,000 for a total budget of \$20,000 which completes this project.

5. Account No. 19-7014 Communications Cell Phones: 22%. We are recommending a decrease of \$2,000 for a total budget of \$3,000.
6. Account No. 19-7065 Source Control Program: 27%. We are recommending a decrease of \$8,000 for a total budget of \$7,000.
7. Account No. 19-7079 Professional Services: Records Management: 0%. We are recommending a decrease of \$5,000 for a total budget of \$5,000.

Total Adjusted Decreases: \$-50,000

The following accounts listed below were greater than budgeted amount at close of the 2nd quarter.

1. Account No. 19-6050 S.S. & Medicare: 63%. We are requesting an increase of \$6,000 for a total budget of \$61,000. This money would be drawn from the Contingency account.
2. Account No. 19-7070 Professional Services – Outside Counsel: 118%. We are requesting an increase of \$30,000 for a total budget of \$50,000. This money would be drawn from the Contingency account.
3. Account No. 19-7071 Professional Services – Attorney Fee: 66%. We are requesting an increase of \$24,000 for a total budget of \$120,000. This money would be drawn from the Contingency account
4. Account No. 19-7076 Professional Services – Human Resource Services: 64%. We are requesting an increase of \$20,000 for a total budget of \$45,000. This money would be drawn from the Contingency account.
5. Account No. 19-7082 Professional Services – Computer Support: 106%. We are requesting an increase of \$5,000 for a total budget of \$17,000. This money would be drawn from the Contingency account.
6. Account 19-7093 Utility Rubbish: 75%. This reflects costs of implementing the Grit Removal System. We are requesting an increase of \$6,500 for a total budget of \$8,000. This money would be drawn from the Contingency account.
7. Account No. 19-8061: 59%. The Board approved a budget adjustment in the amount of \$15,000. We are requesting an additional \$5,000 for a total budget of \$70,000. This money would be drawn from the Contingency account. This adjustment will cover the cost of flooring replacement in the Administration/Control Building as well an ADA Compliance Report.

Total Adjusted Increases: \$111,500

1. Account 19-8077 Contingency. This account will be reduced by \$61,500 to cover the recommended adjustments. This reflects the decrease and increase adjustments described above.

The following account listed below were significantly less than budgeted amount at close of the 2nd quarter. No adjustment is being recommended at this time, but staff will continue to monitor.

1. Account No. 19-8020 Gas and Oil: 14%. This account should balance after purchase of gas for the Diesel Fuel Tank and the Backup Generator.

The following accounts have projects that have not been started or just began implementation. No adjustment is being recommended at this time

1. Account No. 19-7072 Professional Services: Auditing: 0%. The 2015-16 Audit is underway.
2. Account No. 19-7088 Professional Services - Strategic Planning: 0%. This effort has begun, and will be expensed in the 3rd and 4th quarters.
3. Account No. 19-Trunk Sewer Video Log: 0%. Not started.

The following accounts listed below were greater than budgeted amount at close of the 2nd quarter. No adjustment is being recommended at this time, but staff will continue to monitor closely.

1. Account No. 19-7040 Admin. Office Space: 83%. This reflects a onetime charge for deliver, set up, take down and return costs and there is enough in this budget to cover rent for remainder of this fiscal year.
2. Account No. 19-7091 Electric: 61%.
3. Account No. 19-8050 Plant Chemicals: 61%.
4. Account No. 19-7068 Permits/Fees/Licenses: 74%

The following accounts reflect one time expenditures for this fiscal year.

1. Account No. 19-6065 Unfunded Liability: 95%.
2. Account No. 19-7069 LAFCO Budget Share: 90%
3. Account No. 19-7095 Zone 1/1A Agreement: 97%

The following account was adjusted to reflect previous Board action.

1. Account No. 26-8065 Structure Grounds Replacement and Improvement. The Board approved an adjustment to purchase a Diesel Fuel Tank and move the purchase of Lab Furnace and Lab Media Dispenser to next Fiscal Year. This was adjustment was made internally in Account No. 26-8065 on Schedule 2016 B1.

The following accounts are major projects which are nearing completion.

1. Account No. 20-8015 Grit Removal System: 94%
2. Account No. 20-8010 Capital Equipment SCADA: 85%
3. Account No. 19-7066 RWQCB ACL Fine: 100% (\$887,850 vs. \$1,100,00 budgeted)

Conclusion:

Overall, the District expenditures remained below the adopted Fiscal Year 2016/17 budgeted amounts. As per good fiscal and budget practices, staff continues to monitor costs vs. budgeted amounts, while providing the District and its ratepayers the best cost benefit and investment of District funds.

Attachments:

Attachment No. 1 Consolidated Budget with Proposed Budget Adjustments.

Attachment No. 2 Resolution 2016-363, with Exhibit A Schedule of Recommended Budget Adjustments

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
2016/17 BUDGET
CONSOLIDATED AT MID YEAR

	Fund 19 Fund	Fund 20 Fund	Fund 26 Fund	FY 2016/17 Total	Adjustments	Proposed
Revenues						
Gross Revenues						
Service Charges and Fees	4,209,000			4,209,000		4,209,000
Connection Fees		66,000		66,000		66,000
Interest	10,000	6,000		16,000		16,000
Other Revenues	238,200			238,200	(20,200)	218,000
Grant Reimbursement		115,800		115,800		115,800
Total Revenues	4,457,200	187,800		4,645,000		4,624,800
Expenditures & Other Uses						
Operating Expenditures						
Salaries and Wages	791,200			791,200	(4,000)	787,200
Employee Benefits and Other Personnel	520,500			520,500		520,500
Permits, Fees and Licenses	25,000			25,000		25,000
Communications	16,000			16,000	(2,000)	14,000
Computer Support	15,000			15,000		15,000
Administrative Costs	136,000			136,000	(5,000)	131,000
Professional Services	416,000			416,000	46,000	462,000
Disposal Services	55,000			55,000		55,000
Utilities	163,000			163,000	6,500	169,500
Maintenance, Tools & Replacements	252,500			252,500	20,000	272,500
Materials, Services and Supplies	228,000			228,000		228,000
Training, Education & Memberships	43,000			43,000		43,000
Total Operating Expenditures	2,661,200			2,661,200	61,500	2,722,700
Other Charges						
ACL Penalty	1,100,000			1,100,000		1,100,000
Cogen EISA - Debt Principal and Interest		76,000		76,000		0
Total Other Charges	1,100,000	76,000		1,176,000		1,176,000
Capital Replacement/Maintenance						
Capital Outlay						
Capital Equipment	51,500	2,286,700	946,200	3,284,400		3,284,400
Total Capital Outlay	51,500	2,286,700	946,200	3,284,400		3,284,400
Other Financing Sources & Uses						
Transfers Out (In)	561,200		(561,200)			0
Contingency	97,000				(61,500)	35,500
Total Other Financing Sources & Uses	658,200		(561,200)	97,000		35,500
Beginning Cash Balance Used for Funding	749,127	3,960,000	385,000	5,094,127		5,094,127
Net Change (Deficit)	735,427	1,785,100	0	2,520,527		2,520,527

RESOLUTION NO. 2017-363

**A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT AMENDING THE FY 2016-2017 BUDGET AT MID YEAR**

WHEREAS, the Board of Directors previously adopted the FY 2016-2017 Budget consisting of Operating Fund 19, Expansion Fund 20, and Replacement/Improvements Fund 26; and

WHEREAS, District staff have reviewed the account line items under each Fund included in the FY 2016-2017 adopted budget; and

WHEREAS, District staff have identified the account line items which will require less monies and the account line items which will require additional monies than originally budgeted; and

WHEREAS, District staff recommends amending these account line items to reflect actuals will produce a trend that can be used for future budgeting efforts; and

WHEREAS, the Board approved and authorized certain changes and revisions to the Adopted FY 2016/17 Board at the 1st quarter, and these changes and revisions are now incorporated in an amended consolidated budget; and

WHEREAS, the Board finds the recommended amendments are in the best interest of the public's health, safety, welfare and the general financial health of the District.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, South San Luis Obispo County Sanitation District, San Luis Obispo County, California, that the FY 2016-2017 budget shall be amended as follows as shown in Exhibit A and described in the Staff Report prepared in conjunction with this Resolution.

Upon motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAINING:

The foregoing Resolution is hereby adopted this 1st day of March 2017.

John Shoals,
Chairman
Board of Directors
South San Luis Obispo County Sanitation District

ATTEST:

DISTRICT SECRETARY

APPROVED AS TO FORM

BY: _____
DISTRICT COUNSEL

CONTENTS:

BY: _____
DISTRICT ADMINISTRATOR

Exhibit A – Schedule of Recommended Budget Adjustments

ACCOUNT	CURRENT BUDGET	PROPOSED ADJUSTMENT	ADJUSTED BUDGET
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OPERATING FUND 19 EXPENSE ACCOUNTS			
19-6035 Student Intern	\$ 5,000	\$ (4,000)	\$ 1,000
19-6050 S. S. & Medicare	\$ 55,000	\$ 6,000	\$ 61,000
19-6095 Unemployment Reimburse	\$ 14,000	\$ (6,000)	\$ 8,000
19-7005 Advertising/Legal Recruitment	\$ 10,000	\$ (5,000)	\$ 5,000
19-7014 Communications Cell Phones	\$ 5,000	\$ (2,000)	\$ 3,000
19-7060 Ocean Outfall Maintenance	\$ 40,000	\$ (20,000)	\$ 20,000
19-7065 Source Control Program	\$ 15,000	\$ (8,000)	\$ 7,000
19-7070 Prof. Serv. - Outside Counsel	\$ 20,000	\$ 30,000	\$ 50,000
19-7071 Prof. Serv. - Attorney Fee	\$ 96,000	\$ 24,000	\$ 120,000
19-7076 Prof. Serv. - Human Resource	\$ 25,000	\$ 20,000	\$ 45,000
19-7079 Prof. Serv. - Records Management	\$ 10,000	\$ (5,000)	\$ 5,000
19-7082 Prof. Serv. - Computer Support	\$ 12,000	\$ 5,000	\$ 17,000
19-7092 Utility- Rubbish	\$ 1,500	\$ 6,500	\$ 8,000
19-8061 Structure Maintenance	\$ 50,000	\$ 20,000	\$ 70,000
19-8077 Contingency	\$ 97,000	\$ (61,500)	\$ 35,500
Net Budgetary Changes to Fund 19		\$ -	

FUND 20 EXPENSE ACCOUNTS			
Net Budgetary Changes to Fund 20		\$ -	

FUND 26-8065 STRUCTURE/GROUNDS - REPLACEMENT AND IMPROVEMENT			
2016-B1-05 Diesel Fuel Tank	\$ 10,000	\$ 4,500	\$ 14,500
2016-B1-09 Lab Furnace	\$ 3,000	\$ (3,000)	\$ -
2016-B1-10 Lab Media Dispenser	\$ 1,500	\$ (1,500)	\$ -
Net Budgetary Changes to Fund 26		\$ -	\$ -

FUND 19 REVENUE ACCOUNT	Budgeted	Proposed Adjustment	Adjusted Budget
19-4040 Pismo Reimburse for Ocean Outfall	\$ 20,200	\$ (20,200)	\$ -



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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STAFF REPORT

Date: March 1, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **CORRECTIONS TO EXHIBIT "A" CONTRIBUTIONS ON BEHALF OF EMPLOYEE, AND THE FISCAL YEAR SALARY RANGE MONTHLY COMPENSATION TABLE AS CONTAINED AS PART OF RESOLUTION NO. 2016-349**

RECOMMENDATIONS:

Consider and approve corrections to Exhibit "A" Contributions on Behalf of Employee, and 2016-2017 Salary Range Monthly Compensation Table contained within Resolution No. 2016-349

BACKGROUND

Attachment No. 1 to this staff report was included in Resolution No. 2016-349, which was adopted by the Board on June 15, 2016 as part of the Fiscal Year 2016-17 Budget. Subsequent review discovered a number of corrections that need to be made to both documents.

DISCUSSION

The following corrections are being proposed and requested as part of today's item to correct Exhibit A, and the staff salary table and notations attached to Resolution No. 2016-349.

For Exhibit "A" Contributions on Behalf of Employee:

- Sections "Increase for Higher Operator Grade", and "Adjustment for Lab Technician" have sentences that need to be deleted. This change is being recommended to avoid a clear conflict and ensure our Lab Technician continues to receive the 2.5% stipend and but also subject to CalPERS contributions.
- Holidays are listed in Resolution No. 62 (not Resolution No. 61).

2016-2017 Fiscal Year Salary Schedule Corrections:

- Correct Resolution reference is Resolution No. 2016-349, not Resolution No. 2016-340.
- Remove 1.5% COLA notation; as a new COLA as not approved in June 2016. Salary schedule for staff already includes previous approved COLA.
- Align "Others" to clearly indicate it pertains to Board Member or Alternates, vs District Counsel.
- Student Assistant/Intern: Correct title is Summer Intern. The Board approved rate of pay is \$12.00 per hour not \$15.00.
- Plant Worker: Classification needs to be added back, with the reference equal to the language in Resolution No. 2016-340. This is to avoid any CalPERS audit and discrepancy with our retired annuitant.
- Volunteer – Add back with related language with reference to Resolution No. 76. (volunteers can then be covered under workers' compensation).

ATTACHMENT:

1. Exhibit "A" Contributions on Behalf of Employee and 2016-2017 Fiscal Year Salary Range Monthly Compensation Table

EXHIBIT "A"
CONTRIBUTIONS ON BEHALF OF EMPLOYEE

MEDICAL (ACCOUNT 6010)

The District shall pay an amount equal to the current basic plan option monthly premium for the District's medical plan for the employee and the employee's dependent coverage.

DENTAL (ACCOUNT 6025)

The District shall pay an amount equal to the current monthly premium for the District's dental plan for the employee and the employee's dependent coverage.

VISION/DENTAL/MEDICAL TRUST (ACCOUNT 6075)

The District shall pay an initial amount of \$500 for each full-time employee and \$500 per fiscal year thereafter into a vision/dental/medical trust fund account. This account will provide for out of pocket expenses not covered by current formal insurance plans. Funds remaining at the end of the fiscal year do not carryover from an individual's account into the next fiscal year.

SOCIAL SECURITY AND MEDICARE (ACCOUNT 6050)

The District will make contributions for Social Security Tax at 6.2% and Medicare at 1.45% of gross payroll. The employee pays matching contributions.

STATE RETIREMENT (PERS) (ACCOUNT 6060)

In addition to the District's employer contributions, the District shall pay an amount equal to the employee's contribution to PERS (less the difference required to upgrade from prior 2%@55 to 2.5%@55 which is the employee's responsibility) on behalf of the employee.

Contributions made by the District on behalf of employee, who are considered "new members" by CalPERS, will be as mandated by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

STATE DISABILITY INSURANCE PROGRAM (ACCOUNT 6055)

The District shall contribute 50% of the total cost for each employee to become part of the State Disability Insurance Program. Current contribution rate is 1.0% of gross payroll.

INCREASE FOR HIGHER OPERATOR GRADE (ACCOUNT 6030)

A one-time increase of 2.5% for operator grade obtained above that required for position will be paid upon certification. ~~This bonus shall not be given in addition to an adjustment already made for Lab Technician.~~

STIPEND FOR COMMERCIAL DRIVERS LICENSE (ACCOUNT 6030)

The District shall pay a stipend of \$100 per month, in addition to other salary, to employees holding a valid Commercial Driver's License (Class A) while occupying a District position requiring use of that license and designated by the District to utilize the related equipment.

ADJUSTMENT FOR LAB TECHNICIAN (OP1, OP2 OP3) (ACCOUNT 6030)

A one-time 3.0% increase for designation and performance as the District's Laboratory Technician may be given after 6 months' experience in that position and after recommendation by the Plant Superintendent and approval by the Administrator. ~~This increase shall not be additive to any bonus for higher operator grade license.~~

STANDBY PAY (ACCOUNT 6030)

Employees required to perform standby service will be paid at the rate of \$3.00 per hour. When required, backup standby will be paid at a rate of \$0.50 per hour. Stand by not paid if or "call back" overtime pay.

VACATION (PER RESOLUTION NO. 86-100)

<u>Years of Service</u>	<u>Vacation Days</u>
0-2 years	10 days
2+ - 4 years	11 days
4+ - 5 years	12 days
5+ - 6 years	13 days
6+ - 7 years	14 days
7+ - 8 years	15 days
8+ - 10 years	16 days
10+ years	+ 1 day per year; up to 20 days max.

SICK LEAVE

1 Day of sick leave per month to be accrued.

SICK LEAVE CONVERSION

During the month of July, employees may convert a portion (25%) of sick leave earned within a fiscal year to regular pay.

SICK LEAVE PAYOUT UPON SEPARATION FROM EMPLOYMENT

Upon separation of employment, long term employees' accumulated sick leave of up to a maximum of 480 hours to be paid out according to length of District service:

10 years' service completed	25%
15 years' service completed	50%
20 years' service completed	100%

EMPLOYEE COMPUTER PURCHASE PROGRAM

Provides for \$1,500.00 interest-free computer purchase loan, payable within two years from employee's salary as a payroll deduction. In order to receive this loan, the employee is required to enter into a contract for District reimbursement.

HOLIDAYS (As presented in Resolution No. ~~61~~ 62)

2016-17 FISCAL YEAR
 SALARY RANGE MONTHLY COMPENSATION
 RESOLUTION 2017-~~340~~ 349 EXHIBIT "A"
 (1.5% COLA)

FULL TIME EMPLOYEES

Classifications	Authorized Number	Step A	Step B	Step C	Step D	Step E
District Administrator	1	Range To Be Determined				
Plant Superintendent*	1	7885	8279	8693	9127	9584
Shift Supervisor*	1	5452	5724	6010	6311	6626
Plant Operator III*	2	4841	5083	5337	5604	5884
Senior Maintenance Mechanic	0	4704	4939	5186	5445	5717
Lead Operator*	0	4492	4717	4953	5201	5461
Lab Tech/Operator*	1	4492	4717	4953	5201	5461
Plant Operator II*	2	4365	4583	4812	5052	5305
Plant Operator I*	0	4053	4256	4468	4692	4926
Operator In Training Intern	0.5	3663	3846	4039	4241	4453
Maintenance Assistant	0.5	3663	3846	4039	4241	4453
Bookkeeper/Secretary	1	3975	4173	4382	4601	4831
	10					

*Higher Operator Grade Program 2.5%

OTHERS

Board Member or Alternate \$100 per meeting attended (Resolution 1995-150)

Volunteers See Resolution No. 76

District Legal Counsel Per Contract

Plant Worker Hourly rate of equiv position
(Resolution 2016- 340)

Student Assistant/Intern Summer Intern \$15.00 12.00/hour



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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STAFF REPORT

Date: March 1, 2017

To: Board of Directors

From: Gilbert A. Trujillo, District Co-Counsel

Subject: REQUEST BY THE CITY OF ARROYO GRANDE TO PARTICIPATE IN JOINT INVESTIGATION

RECOMMENDATION:

District Co-Counsel recommends the Board of Directors consider the City of Arroyo Grande's request to participate in an independent joint investigation of alleged misconduct by the Mayor of Arroyo Grande concerning his representation on the District Board and give direction to staff.

BACKGROUND:

A member of the public made allegations of misconduct against the Mayor of Arroyo Grande at the January 24, 2017, Arroyo Grande City Council meeting. Similar allegations were made during the public comment period at the District's Board meeting on February 1, 2017. A copy of the City of Arroyo Grande's staff report dated February 14, 2017, is attached (Attachment No. 1) for additional background information.

DISCUSSION:

On February 14, 2017, the City of Arroyo Grande considered the retention of a law firm to conduct an independent investigation into allegations of misconduct against its Mayor. At this meeting, the City Council directed its staff to contact the District Board and present a request to participate in a joint investigation sharing costs. It is proposed that the law firm of Liebert, Cassidy and Whitmore ("LCW") would conduct the independent investigation using a non-attorney investigator at \$125 an hour to save costs. LCW estimates that the entire investigation would cost \$15,000 and take approximately four (4) to six (6) weeks to complete. The independent investigator would conduct an

investigation and prepare a written report with factual findings. LCW would review the findings of fact and prepare legal conclusions and recommendations.

The law firm of LCW has an existing attorney-client relationship with the District. Because of this relationship, LCW would not be able to participate in aspects of the investigation involving the District unless the District agrees to this joint investigation.

FISCAL CONSIDERATIONS:

The cost of an independent investigation is estimated to be \$15,000. The District would be expected to pay for one half of the cost of the joint investigation in the amount of \$7,500.

ALTERNATIVES:

1. The Board may proceed with its own independent investigation.
2. The Board may reject the City of Arroyo Grande's request.
3. The Board may provide other direction to staff.

Attachment:

1. City of Arroyo Grande Staff Report dated February 14, 2017



MEMORANDUM

TO: CITY COUNCIL

FROM: ROBERT MCFALL, INTERIM CITY MANAGER
HEATHER K. WHITHAM, CITY ATTORNEY

SUBJECT: CONSIDERATION OF: 1) APPROVAL OF AN INVESTIGATION INTO ALLEGATIONS AGAINST THE MAYOR OF MISCONDUCT; 2) RETENTION OF LIEBERT CASSIDY WHITMORE TO CONDUCT AN INDEPENDENT INVESTIGATION AND DEVELOP FINDINGS OF FACT AND RECOMMENDATIONS, 3) APPROPRIATION OF \$15,000 FROM THE UNAPPROPRIATED FUND BALANCE FOR THE INVESTIGATION, AND 4) AUTHORIZATION FOR THE INTERIM CITY MANAGER TO ENTER INTO AN AGREEMENT FOR THE INVESTIGATIVE SERVICES IN A FORM APPROVED BY THE CITY ATTORNEY

DATE: FEBRUARY 14, 2017

RECOMMENDATION:

It is recommended the City Council consider: 1) approval of an investigation into allegations made by members of the public against the Mayor of misconduct; 2) retention of Liebert Cassidy Whitmore to conduct an independent investigation and develop findings of fact and recommendations; 3) appropriation of \$15,000 from the unappropriated fund balance as payment for the investigation, and 4) authorization for the Interim City Manager to enter into an agreement for the investigative services in a form approved by the City Attorney.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The cost of an investigation by an independent investigator, including the services to be provided by Liebert Cassidy Whitmore ("LCW"), is estimated to be between \$10,000 and \$15,000.

BACKGROUND:

At the January 24, 2017 City Council meeting, members of the public raised concerns regarding actions by the Mayor as both presiding officer of the Arroyo Grande City Council and related to his service as the City's representative on the South San Luis Obispo County Sanitation District ("Sanitation District") Board of Directors. The comments made refer to allegations of potential Brown Act violations for allegedly disclosing confidential information from a closed session to a person not entitled to receive the information, separate allegations of disclosing to third parties the contents of confidential documents, improper unilateral actions and potential interference with the administration of the City and the Sanitation District.

**CONSIDERATION OF RETENTION OF AN OUTSIDE FIRM TO CONDUCT AN INDEPENDENT INVESTIGATION INTO ALLEGATIONS OF MISCONDUCT AGAINST THE MAYOR
FEBRUARY 14, 2017
PAGE 2**

The Interim City Manager has performed an initial review of the allegations. The City has also reached out to the law firm of LCW, which specializes in public agency personnel matters and independent investigations of this type. In discussing the results of the initial review with attorneys from LCW, it is their opinion that sufficient information exists to warrant an independent investigation.

ANALYSIS OF ISSUES:

While the City could perform an investigation of the allegations internally, staff doesn't believe such an approach would be in the best interests of the City. LCW further indicated that in instances such as this that involve allegations against a public figure, it is considered a best practice to utilize an independent outside investigator, properly trained and experienced in such investigations. It is critical that the investigation be performed by someone who is viewed by all as credible, objective and impartial. LCW is highly regarded in matters such as this, and the City has had previous successful experiences with the firm on other matters. The investigator would conduct an investigation, including interviewing witnesses and reviewing documents, and then prepare a written report with findings of fact. LCW would then review the findings of fact and prepare legal conclusions and recommendations. A non-attorney investigator generally charges \$125 an hour. Using a non-attorney investigator, LCW has provided a rough estimate for the entire investigation of \$10,000 to \$15,000 and it would be accomplished over a period of approximately four to six weeks.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Direct the Interim City Manager to retain the services of LCW to arrange for and oversee an independent investigation; or
2. Provide other direction to staff;

ADVANTAGES:

Conducting an investigation will shed light on the allegations that have been raised by the public. Retaining the services of LCW to arrange and oversee the independent investigation will help ensure that a fair and impartial investigation is performed.

DISADVANTAGES:

Retaining the services of LCW to arrange and oversee the independent investigation will have an associated cost.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.