

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

Action Summary Minutes of the
Meeting of Wednesday April 19, 2017
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Chairman Shoals called the meeting to order and recognized a quorum.

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: Gerhardt Hubner, District Administrator;
Gilbert Trujillo, District Legal Counsel

2. FLAG SALUTE

3. AGENDA REVIEW

Director Hill commented on various items not on the Agenda.

The Agenda was approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Patricia Price commented on items not on the Agenda, lack of answers to her questions, personnel placed on administrative leave, employee grievances, job descriptions, employee promotional process, and lack of promotions.

District Counsel Trujillo explained why the Board of Directors is unable to comment on personnel during open session.

Ron Arnoldsen spoke about comments made at the Grover Beach City Council meeting regarding the Knudson Report.

Patty Moran commented on miscellaneous correspondence and oral comments.

Cinnamon Lofton wants everyone to play nice.

Shelly Cochran stated the Knudson Report recommendations need to be reviewed and commented on failure to recognize the role of the Superintendent.

Colleen Kubel asked about the authority of the Board of Directors and their lack of action.

Terri Klier commented on the Sanitation District, the Knudson Report, lack of accomplishments, off site meetings and accountability of Administration.

John Clemons spoke regarding the verbal exchange that occurred between Directors Hill and Chairman Shoals at the beginning of the meeting.

Julie Tacker commented on the treatment of Director Hill by Chairman Shoals, lack of agenda items, 2015/16 Audit, administration's payroll data and performance evaluation, administrations report, disposition of the Coastal Commission, the Redundancy Project, strategic plan, written communication and lack of items on the agenda.

Patty Welsh commented on the previous speaker's resume.

Mary Lucey spoke regarding how the District operated in 2010 and personnel documents with confidential information being published, by a previous speaker, on the Scrib website.

Kevin Rice commented on administration, hostile work environment, district litigation and lost audio files.

Chairman Shoals closed public comment.

Chairman Shoals clarified comments made at the Grover Beach City Council meeting.

Director Hill commented on there being no place on the agenda for Board Member comments or discussion.

District Counsel Trujillo advised of the Board's authority regarding personnel.

District Administrator Hubner commented on personal attacks and invited people to come to the plant and speak with him personally.

Director Austin asked for an update on the upcoming Coastal Commission meeting.

District Administrator Hubner advised the Coastal Commission is on track for the May meeting and that he will bring an item before the Board when the Coastal Development Permit Hearing (CDP) becomes available. He further advised the Board the 2015/16 Audit was close to completion.

5. CONSENT AGENDA

Upon request of Director Hill items 5B, 5C and 5D were pulled from the Consent Agenda.

5A. Approval of Warrants

Director Hill expressed concerns about the cost of legal and associated expenses based on historical records.

Chairman Shoals opened the public comment period.

Julie Tacker commented on legal bills, the OCSD service settlement reimbursement, water conference training costs, plant projects and the headworks change order.

Kris Victorine stated the warrant documents needed to be examined before approved, she further commented on Wallace, the final audit, changes from the Budget, and charges for the State report and legal expenses.

Chairman Shoals closed the public comment period.

Administrator Hubner advised the Board the settlement reimbursement was for an OCSD ratepayer that had been charged for years of wastewater service he had not received. He further advised the Moss, Levy & Hartzheim LLP invoice was paid to complete the delinquent State Controller report and avoid fines.

Motion: Director Austin made a motion to approve the Warrant Register.

Second: Director Hill

Action: Approved unanimously by roll call vote.

5B. Approval of Minutes of April 5, 2017 Meeting

Director Hill commented the minutes named individuals that spoke but did not state if they had spoken for or in opposition of anything.

Chairman Shoals opened the public comment period.

Kris Victorine stated the minutes do not accurately state what comments were made.

Julie Tacker had questions on the Liebert Cassidy Whitmore contract and speaker respect.

Chairman Shoals closed the public comment period.

District Counsel advised the Board the minutes were Action Summary Minutes intended to be a brief consistent summary of the meeting.

Motion: Director Hill moved to table the minutes and bring them back with amendments to include more detail.

Second: Director Shoals

Action: Motion passed 2 – 1. Director Austin Voted No.

5C. Financial Report for March 2017

Chairman Shoals opened the public comment period.

John Clemons stated an account showing on the report had been closed and commented on inaccuracies in the report.

Chairman Shoals closed the public comment period.

Administrator Hubner stated that based on past reports staff believed the overall report to be accurate. He further advised the Board staff was aware of the closed account and would verify the transfer of funds.

Motion: Director Austin made a motion to approve the Financial Report.

Second: Director Shoals

Action: Approved unanimously by roll call vote.

5D. Plant Operations Report

Director Hill stated that prior years' data had been included in past reports but the historical data was missing from the current report.

Chairman Shoals opened the public comment period.

Julie Tacker commented on the historical data, current numbers compared to a year ago, the Shannon Sweeney contract, who wrote the report, who signed off on the report and who is running the plant.

Mary Lucey commented on the numbers and signatures on the reports.

Chairman Shoals closed the comment period.

Director Hill commented on the influent/effluent numbers, eliminating a 2 year backlog of maintenance work and historical data being included in the Report.

Administrator Hubner advised the Board staff had begun work on eliminating 269 backlog of work orders recorded in early March dating back to 2015. He further advised the Board work orders are the backbone of the District's preventative maintenance program.

The Plant Operations Report was received and filed.

6. ACTION ITEMS:

6A. PROPOSED RESOLUTION NOS. 2017-364, 365 AND 366, AUTHORIZING RESOLUTIONS FOR THE DISTRICT TO SUBMIT A FINANCIAL PACKAGE IN SUPPORT OF A STATE WATER RESOURCES CONTROL BOARD STATE REVOLVING LOAN APPLICATION FOR THE WASTEWATER REDUNDANCY PROJECT

1. Consider and adopt Resolution No. 2017-364, a Resolution designating the District Administrator as the representative to sign and file a Financial Assistance Application for the Wastewater Redundancy Project.
2. Consider and adopt Resolution No. 2017-365, a Resolution stating the District's intent to reimburse itself for expenditures advanced for the Wastewater Redundancy Project; and authorizing and directing the District Administrator to Implement the Resolution.
3. Consider and adopt Resolution No. 2017-366, a Resolution pledging revenues and funds as specified for the Wastewater Redundancy Project; and for the District Administrator to Implement the Resolution.

Administrator Hubner gave a presentation on submittal of a financial package in support of a State Water Resources Control Board State Revolving Loan for the Wastewater Redundancy Project, the Resolutions and updated wastewater rates plan by Bartle Wells Associates (BWA).

Alex Handlers, representative from Bartle Wells Associates, spoke on the State Revolving Loan process.

Chairman Shoals asked about the timing of the application.

Administrator Hubner advised the Board that staff is trying to get the application in the State Water Resources Control Board State Revolving Loan queue. He stated that the District is small enough that the State Board may find funds or issue their own bonds and free up funds.

Chairman Shoals opened the public comment period.

Julie Tacker questioned the reference to the project manager and commented about the scope of work not yet being defined, waiting to submit the application until after the upcoming Coastal Commission meeting, 10-year authorization to use the plant and the hiring of Bartle Wells.

Mary Lucey spoke regarding the good rate, being in partnership with a disadvantaged community and the potential of receiving a USDA loan.

Debbie Peterson commented on cash flow and legal fees.

Chairman Shoals closed the public comment period.

Alex Handlers, representative from Bartle Wells Associates, advised the Board the reference to project manager was someone who he spoke to at the State Board who does project management on the State Revolving Fund loans.

- Motion:** Director Hill made a motion to approve staff recommendations for Item 6A 1, 2 and 3 with correction to the agency name on Resolution Nos. 2017-365, 365 and 366.
- Second:** Director Austin
- Action:** Approved unanimously by roll call vote.

6B. UPDATE ON DEPOSITION OF AUDIOTAPES THROUGH WEBSITE DEVELOPMENT

1. Receive and File Report

Administrator Hubner advised the Board that Ted Kapner, website designer, had provided a link from the District Website to SLO Span. He further provided a letter from the web designer explaining what happened with the migration of the old audio tapes to the new website.

Chairman Shoals opened the public comment period.

Amy Simpson read a letter denying her authorizing the web designer to not migrate the old audio tapes to the new website.

John Clemons spoke in defense of Amy Simpson.

Ron Arnoldsen commented on dogs and busses.

Terri Kleir commented on concerns regarding the web designers notes and insinuations that Amy Simpson was responsible for the old audio tapes not migrating over to the new website.

Kris Victorine commented on who directed the web designer to not migrate the old audio files.

Julie Tacker questioned why the web designer was giving the report, she stated that record retention items should be brought to the Board prior to destruction, Administration should be bringing solutions on how to resolve the issue to the Board and the DA would like to have the tapes.

Chairman Shoals closed the public comment period.

Ted Kapner, web designer, stated that the information in the letter he provided was truthful and factual. He advised the Board he did not do a backup of the old website and the change order was to address the pdf files. Mr. Kapner further advised the Board the files were kept for 30 days before the contents of the server were deleted. He stated a computer specialist would need to be hired to do a forensic audit of the District computers.

Upon unanimous consensus of the Board staff was directed to pursue recovery of the old audio files. Staff was further directed to bring back an estimate of the cost for pursuing recovery of the audio files on the District's existing IT network.

7. CLOSED SESSION

Chairman Shoals opened the public comment period.

John Clemons commented on personnel and paid leave.

Terri Klier commented on release of employees.

Colleen Kubel spoke on personnel and due process.

Sharon Brown questioned why the Board was considering personnel.

Julie Tacker commented on personnel and stated the Board needed to expedite the process.

Ron Arnoldsen commented on personnel.

Chairman Shoals closed the public comment period.

District Counsel explained what the Board can discuss in Closed Session.

(Director Hill recused himself from Closed Session and left the meeting at 8:45 p.m. The Board reconvened to Open Session at 9:09 p.m. there being nothing to report from Closed Session the April 19, 2017 meeting was adjourned at 9:10 p.m.)

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (three potential cases).

8. RECONVENE TO OPEN SESSION

At 9:09 p.m. the Board reconvened to Open Session.

There was no reportable action from Closed Session.

9. ADJOURNMENT

The meeting adjourned at 9:10 p.m.

The next regularly scheduled Board meeting on May 3, 2017, 6 p.m. at the Grover Beach City Council 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.