

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 May 3, 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; Alternate Director Karen White, Oceano Community Services District

District Staff in Attendance: Gerhardt Hubner, District Administrator
Wendy Stockton, District Counsel
Mychal Jones, Acting Chief Plant Operator

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

Jeff Edwards commented on the District Administrator's past history.

Chairman Shoals called for a recess.

Chairman Shoals reconvened the meeting and cautioned the audience about making personal attacks toward staff.

Sharon Brown asked about the acting District Secretary and the status of the office renovation.

Julie Tacker commented on the lack of old audio tapes being migrated to the new website, quote for the forensic audit of the District computers, timeline that had been presented which appeared to be tampered with, instructions from Host Gator on how to back up a website and mistakes in Administration reports.

Dave Nichols asked about the District Administrator's experience, and commented on classification of operators, problem with digester and maintenance funds being removed from the budget.

Terri Klier commented on the past plant operation expenses, the Grand Jury, Citizen's Guide to Special Districts and extending the number of Board members.

Mary Lucey advised of documents she handed out to the community.

Cinnamon Lofton asked when it was appropriate to ask questions of the Board.

Shirley Gibson spoke about the ratepayers needing to be aware of an organized attack against the District Administrator and active undermining.

Patty Welsh commented on a group of people who were against the District Administrator.

Patricia Price spoke on her years of attending the Sanitation District meetings, and turnaround in the plant administration.

Dr. Ron Arnoldsen commented on the District Administrator, poorly written staff reports, errors in financial reports, Ventura Grand Jury Report and similarities in what happened according to the Ventura Grand Jury Report and what is happening at the District.

Chairman Shoals closed the Public Comment period.

Chairman Shoals stated the Public can ask questions of the Board and as Chairman he can get the answers.

Director Hill advised that the Board is prohibited by State Law in responding during Public Comment.

Chairman Shoals also advised the Board cannot respond to personnel or Human Resource matters.

5. CONSENT AGENDA

Director Hill questioned the Warrant Register for the Fluid Resource Management (FRM) account, annual memberships, CalPERS costs and legal bills.

Director Hill stated the minutes need to reflect if the commenter spoke in favor of or against something.

Chairman Shoals opened the public comment period.

Julie Tacker stated the Board does not live by Roberts Rules but the Brown Act, and minutes need to capture the essence of the comment. She commented on legal costs, warrants not being passed until correct and the timing of hiring Liebert Cassidy.

Sharon Brown stated public comment should be accurate as to the sense of what is being said and requested her name be corrected in the minutes.

Ron Arnoldsen commented on the accuracy of the minutes.

Chairman Shoals closed the public comment period.

Director Hill commented on the Fluid Resource Management account, Interstate Management account, annual membership, CalPers retirement, costs of legal bills, and the Minutes.

5A. Approval of Warrants

Motion: Director White made the motion to approve the Warrant Register with amendments and clarifications as discussed.
Second: Director Shoals
Action: Motion passed 2 – 1 Director Hill voted No.

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

Motion: Director Hill made the motion to continue the April 5, 2017 minutes to a future date.
Second: Director White
Action: Approved unanimously by roll call vote.

5C. Minutes of April 19, Approval of 2017 Meeting

Motion: Director Hill made the motion to continue the April 19, 2017 minutes to a future date.
Second: Director White
Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. REQUEST APPROVAL TO PURCHASE A REPLACEMENT SIGHT GLASS FOR PRIMARY DIGESTER NO. 1

District Administrator Hubner reported on the need to purchase a replacement sight glass for Primary Digester No. 1.

Chairman Shoals opened the public comment period.

Julie Tacker spoke on the project price, maintenance for the digester being budgeted and inconsistencies in the District Administrator's reports.

Sharon Brown spoke about the sight glass being included in the budget, and the cleaning not being included in the budget.

Mary Lucey spoke about the delay in the maintenance of the digester and asked about the lifespan of the sight glass.

Chairman Shoals closed the public comment period.

Motion: Director Hill moved to approve purchase of a replacement sight glass for primary Digester No. 1 from Papailias Inc.
Second: Director White
Action: Approved unanimously by roll call vote.

6B. NEW DISTRICT RECORDS RETENTION SCHEDULE

District Administrator Hubner gave a presentation on the proposed new District Records Retention Schedule.

Discussion held on the proposed Records Retention Schedule and concerns were raised regarding the procedure to destroy documents.

Wendy Stockton, District Legal Counsel, advised the items ready for destruction could be reviewed by Counsel at the time of the proposed destruction and come back to the Board for final approval.

Chairman Shoals opened the public comment period.

Amy Simpson stated she was glad to see the item brought to the Board.

Ron Arnoldsen stated he would like to see the Board authorize destruction of the records.

Patty Welsh asked if Amy Simpson was speaking as a member of the public or an employee.

Julie Tacker asked why the archived documents were in disarray, she stated the documents need to come before the Board for approval before they are destroyed and she does not like the 30-day retention policy for email.

Sharon Brown stated she agreed on the Board approving destruction of the documents and the 10-year retention of videos.

Mary Lucey stated confidentiality of documents should be addressed.

Patricia Price supported documents coming before the Board before being destroyed and she agreed with Julie Tacker's comments.

Chairman Shoals closed the public comment period.

District Administrator Hubner advised the recommended retention of videos in the new policy is 10 years.

Wendy Stockton, District Counsel, stated the confidential document would need to be reviewed by Counsel prior to destruction.

Motion: Director Hill moved to approve the new records retention schedule with the inclusion that documents scheduled for destruction must come to the Board for approval prior to destruction and Board meeting videos be retained for 10-years.

Second: Director White

Action: Approved unanimously by roll call vote.

6C. UPDATE ON COASTAL DEVELOPMENT PERMIT FOR DISTRICT'S WASTEWATER REDUNDANCY PROJECT

District Administrator Hubner provided an update on the Coastal Development Permit for the District's Wastewater Redundancy Project.

Director Hill stated he was a proponent of the redundancy project. He further stated he was disappointed in the report and that the permit was only a 10 year permit. He stated he would urge jurisdictions to support a 30-year permit.

Chairman Shoals asked about the cost to move the plant.

Mike Nunley, Michael K. Nunley & Associates, stated the cost would be between \$150 - \$200 million to relocate the plant.

Chairman Shoals opened the public comment period.

John Clemons stated he was a proponent of the redundancy project. He further commented on the 10-year plan with the Coastal Commission.

Jeff Edwards stated the whole project has been misrepresented.

Brad Snook advised he had sent a letter to the Coastal Commission. He stated the District should be reviewing an alternative site.

Julie Tacker stated the project was inconsistent with the Coastal Act, she would support a temporary plant and she commented on the life of the facility. She stated she did support staff recommendation at the Coastal Commission.

Mary Lucey advised the plant did not flood in 2010 but the neighborhood did. She stated the plant was fine where it is located and she is supportive of the project.

Amy Simpson asked if there would be discussion on a smaller scale to make sure ratepayers would not be paying for a 30-million-dollar plant.

Patty Welsh stated she supported the redundancy project.

Debbie Peterson stated she does support the redundancy project.

Patricia Price spoke about an offsite plant and that she would support a temporary and less expensive redundancy project.

Chairman Shoals closed the public comment period.

Chairman Shoals stated he and District Administrator Hubner would be attending the Coastal Commission meeting. He further advised it was a major accomplishment to have a hearing before the Coastal Commission.

The Board took a 10-minute recess.

The Board reconvened at 8:40 p.m.

6D. UPDATE TO ATTORNEY CONTRACT

1. Consider a request by District Legal Counsel to update its contract; and
2. Consider and adopt Resolution No. 2017-368 (Attachment No. 1) authorizing the Chairman to execute an amended attorney contract.

Wendy Stockton, District Counsel, spoke on the current attorney contract. She stated they are requesting the contract be made modern and workable. She further stated she and Mr. Trujillo will cover the expenses, they are requesting an increase in the hourly rates and they are requesting a 30 day termination clause.

Discussion held on the costs of expenses.

Chairman Shoals opened the public comment period.

Jeff Edwards stated there needed to be a performance evaluation prior to entering into a new contract.

Sharon Brown expressed her concerns regarding provisions in the proposed contract and the increase in the billable hours.

Debbie Peterson stated it would be helpful to know what other Special Districts spend for legal counsel and consultants. She suggested a review be done of how many consultants are currently working for the District, what it is costing for these consultants and the Board do a review of the attorney's performance.

Julie Tacker commented on modernizing the contract, doing a performance review, Lexis Nexis, and outsourcing of the District Human Resources.

Patty Welsh was in support of a 6% increase for counsel.

Dr. Ron Arnoldsen stated the District Administrator and District Counsel should have a performance evaluation once a year and he spoke in support of continuing education.

Patricia Price commented on the existing contract, proposed contract, why the District has special counsel, what indemnification is all about, and doing a performance evaluation prior to signing a new contract.

Chairman Shoals closed the public comment period.

Director Hill commented on authorization for special counsel, an annual review of the contract employees and support for the new contract.

Wendy Stockton, District Counsel, explained when there would be a need for special counsel and the indemnification clause.

Motion: Director White made a motion to approve the Resolution of the Board of the South San Luis Obispo Sanitation District authorizing and directing the Chairman to enter into updating an agreement for legal services for the South San Luis Obispo Sanitation District with Gil Trujillo and Wendy Stockton, Esqs. contingent on a positive performance review.

Second: Director Hill

Action: Approved unanimously by roll call vote.

6E. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

District Administrator presented the District Administrator's Report.

Director Hill spoke about the I&I Study, the recommendation for multi phases in collecting data, flow meters, financial review, and moving forward on the IT forensic audit.

Chairman Shoals opened the public comment period.

Amy Simpson spoke about closing accounts.

Julie Tacker commented on the SRF loan package, joint cost sharing and the closed account.

Sharon Brown commented on the 0% chlorine.

John Clemons stated the financial information on the warrant register is incorrect and that the Board had received a financial report with bad information.

Chairman Shoals closed the public comment period.

The Board received and filed the Report.

7. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

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

Chairman Shoals opened the public comment period.

There being no one to come forward Chairman Shoals closed the public comment period.

8. RECONVENE TO OPEN SESSION

The Board reconvened at 10:07 p.m.

There was no reportable action from Closed Session.

9. ADJOURNMENT

The meeting adjourned at 10:09 p.m.

The next regularly scheduled Board meeting on May 17, 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.