

**SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT**

Post Office Box 339, Oceano, California 93475-0339  
1600 Aloha Oceano, California 93445-9735  
Telephone (805) 489-6666 FAX (805) 489-2765  
[www.sslocsd.us](http://www.sslocsd.us)

**AGENDA  
BOARD OF DIRECTORS MEETING**  
Arroyo Grande City Council Chambers  
215 E. Branch Street  
Arroyo Grande, California 93420

**Wednesday, October 4, 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

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- 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 for Meeting of September 20, 2017**

**6. ACTION ITEMS:**

**6A. CONSIDERATION OF RESOLUTION OF CENSURE OF DIRECTOR JIM HILL**

Resolution of Censure

**6B. TECHNICAL CONSULTANTS AND PLANT OPERATION'S REPORT**

Receive and File Report

**7. BOARD MEMBER COMMUNICATIONS**

**8. CLOSED SESSION**

**8A. CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section 54957.6:** Agency designated representatives: Richard Sweet or Paul J. Karp; Susan Wells Employee organization: Service Employees International Union (SEIU) Local 620

**8B. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:** significant exposure to litigation pursuant to **Government Code Section 54956.9(d)(2) and (e)(5)** (One Item)

**9. ADJOURN MEETING**

**The next regular Board of Directors meeting is scheduled for  
October 20, 2017, 6 pm at the  
Arroyo Grande City Council Chambers,  
215 E. Branch Street, Arroyo Grande, California 93420**



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

**WARRANT REGISTER**

10/04/2017 FY 2017/2018

VENDORS	BUDGET LINE ITEM	DESCRIPTION	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AMY SIMPSON	TRAVEL REIMBURSEMENT	JULY 12/AUGUST 1, 2017	10042017-2452	19-7050	41.52	41.52
ARAMARK	UNIFORMS	2212/9158/6203/3254/0251	2453	19-7025	989.42	989.42
AT&T	COMMUNICATIONS	SEPT 8- OCT 7, 2017	2454	19-7013	490.93	490.93
BROUGH CONSTRUCTION	AG SEWER BRIDGE	170141	2455	26-8065 2017-B1-01	85,856.25	85,856.25
BRENN TAG	PLANT CHEMICALS	BPI768115	2456	19-8050	5,487.77	5,487.77
CENTRAL COAST TECHNOLOGY	COMPUTER SUPPORT	1219/1201	2457	19-7082	1,093.43	1,093.43
CHARTER	COMMUNICATIONS	8245 10 101 0085060	2458	19-7013	382.18	382.18
FANNY MUI	PER DIEM	TRI STATE SEMINAR /RE ISSUE CHECK	2459	19-7083	168.00	168.00
HAULAWAY	EQUIPMENT RENTAL	1733731	2460	19-7032	93.80	93.80
I.I. SUPPLY	EQUIPMENT MAINTENANCE	46781	2461	19-8035	31.10	31.10
JB DEWAR	FUEL	856326	2462	19-8020	61.45	61.45
JIM HILL	PROF SERVICES BOARD MEMBERS	SEPTEMBER 2017	2463	19-7075	200.00	200.00
JOHN SHOALS	PROF SERVICES BOARD MEMBERS	SEPTEMBER 2017	2464	19-7075	200.00	200.00
JUST RESOLUTIONS	HUMAN RESOURCES	092217	2465	19-7076	3,908.00	3,908.00
LINDA AUSTIN	PROF SERVICES BOARD MEMBERS	SEPTEMBER 2017	2466	19-7075	200.00	200.00
LIEBERT, CASSIDY WHITMORE	OUTSIDE COUNSEL	1447309	2467	19-7070	9,681.00	9,681.00
MEATHEAD MOVERS	ADMIN OFFICE SPACE	WOC-887616	2468	19-8032	803.25	803.25
MINERS	EQUIPMENT MAINTENANCE	SEPTEMBER 2017	2469	19-8035	358.42	358.42
NBS	OCEANO BILLING	OCTOBER 1-DECEMBER 31, 2017	2470	19-7074	2,503.46	2,503.46
OILFIELD & ENVIRO. COMPLIANCE	CHEMICAL ANALYSIS	3564/3580/3367/3396	2471	19-7078	565.00	565.00
PAUL J. KARP P.E.	PROF SERVICES-ENGINEERING	8/16/2017-9/15/2017	2472	19-7077	12,787.50	12,787.50
POLYDYNE INC.	PLANT CHEMICALS	1170537	2473	19-8050	5,821.53	5,821.53
SHANNON SWEENEY, PE	PROF SERVICES ENGINEERING	Sep-17	2474	19-7077	2,080.00	2,080.00
STANLEY SECURITY	COMMUNICATIONS ALARMS	14896801	2475	19-7011	158.00	158.00
THOMA ELECTRIC	EQUIPMENT MAINTENANCE	38627	2476	19-8030 2017-A1-27	542.48	542.48
SWRCB	PERMIT FEES	ELAP ANNUAL FEE/EA 1217-1413	2477	19-7068	3,592.00	3,592.00
SWRCB	PROF. CERT/LICENSE	JONES/RENEWAL	2478	19-7055	300.00	300.00
<b>SUB TOTAL</b>					<b>\$ 138,396.49</b>	<b>\$ 138,396.49</b>
SO. SLO CO. SANITATION DISTRICT	PAYROLL	PPE 9/15/17	2479	19-6030 19-6040 19-6045 19-6090	27,235.77	30,236.67
	CALPERS RETIREMENT	PPE 9/15/17		19-6060	3,000.90	
<b>GRAND TOTAL</b>					<b>\$ 168,633.16</b>	<b>\$ 168,633.16</b>

We hereby certify that the demands numbered serially from 10042017-2452 to 10042017-2479 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:

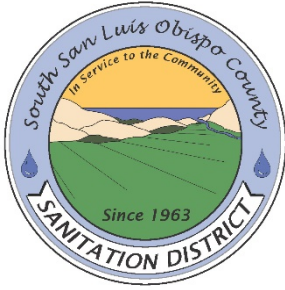
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Secretary





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**AGENDA  
BOARD OF DIRECTORS MEETING**  
Arroyo Grande City Council Chambers  
215 E. Branch Street  
Arroyo Grande, California 93420

**Action Summary Minutes of the  
Regular Meeting of Wednesday, September 20, 2017, at 6:00 p.m.**

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

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

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

District Staff: Richard Sweet, Technical/Administrative Services Consultant  
Gilbert A. Trujillo, District Legal Counsel  
Paul Karp, Technical/Administrative Services Consultant

**2. PLEDGE OF ALLEGIANCE**

Chairman Shoals led the Pledge of Allegiance

**3. AGENDA REVIEW**

**Motion:** Director Hill made a motion to approve the Agenda as presented.

**Second:** Chairman Shoals

**Action:** Motion approved 3 – 0

**Ayes:** Directors Hill, Austin and Chairman Shoals

**Noes:** None

**4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA**

Chairman Shoals opened the Public Comment period.

Speaking from the public were:

- Patty Welsh, who requested a moment of silence for a local resident who passed away after being hit by a vehicle in the Village;

- Julie Tacker, who spoke on the former Administrator's relocation expenses which the contract did not reflect, requested that the Board agendaize some resolution to the matter.
- Tim Brown, spoke about the devastation in Florida, the Florida Keys and the Virgin Islands from the recent hurricane and asked that the Board take a step back and keep that in perspective during the meeting, the past history at the Sanitation District and former Administrators and the current Board, legal fees, employees who are on paid administrative leave, and consideration of a five member board.
- Patricia Price, distributed and read a document to the Board voicing concerns about numerous District issues, no confidence with the District, staff and the Board, violations of the Brown Act and the Bylaws.
- Teri Klier, spoke about the Board and her strong support for Director Hill.
- Debbie Peterson commented on some of the documents in the 3,700+ emails, and that she had not met at any of the locations noted in the Investigation Report.
- Kris Victorine, commented and acknowledged Director Hill's diligence and oversight of the District, concerns about expenses and budgetary funds within the current budget and answers and false statements that were provided by the former District Administrator.
- Ron Holt commented on civility and moving on, and continuing to attend future meetings until answers and actions are taken.
- Ron Arnoldson, commented about past District Administrators and the problems that occurred along with further investigations, employees on paid administrative leave, politically motivated Brown Act violations against Mayor Hill, and the Redundancy project.

Chairman Shoals closed the Public Comment period.

## 5. **CONSENT AGENDA:**

Director Hill requested the Approval of Warrants be taken separately.

### 5A. **Approval of Warrants**

Board discussion ensued. Director Hill noted legal fees for District Counsel and Liebert Cassidy Whitmore ("LCW"), and the Board not being apprised of the number of investigations, the fiduciary responsibility to the residents of the District to control expenses, and would not support the fees and would vote no on the expenses. Director Austin felt it was apparent the bills were due to the investigations and if not paid, would there be legal ramifications. Legal Counsel responded that they are legally binding contracts to provide professional services and if payment is promised and not approved, the District would be in breach of contract. Chairman Shoals asked about a breakdown of the LCW fees; Technical Consultant Sweet provided the answers.

Chairman Shoals opened the Public Comment period.

#### Speaking from the public were:

- Stewart Jenkins, stated he was the attorney for Mayor Hill, commented about the contract with LCW and felt the District has the obligation, if the



investigation or services have been shoddy and not quality work, to question the bill, and referenced comments in the LCW letter.

- Julie Tacker, agreed with the previous speaker, noting legal counsel should have been informed if the amount was going over what had been approved, and the redacting of 3,715 pages of record that the legal counsels from Arroyo Grande and the District didn't go through.
- Mary Lucey, commented about good government and suggested moving the Consent Agenda to the end of the agenda.
- Ron Holt, spoke about legal bills that had not gone through the proper process of approval.
- Patricia Price, commented about the \$7,500 for the investigation and that was all that was being spent without it being brought back to the Board.
- Tim Brown, spoke about the legal bills which should be scrutinized and reviewed, and it is a fiduciary responsibility.
- Debbie Peterson, spoke about the legal bills, referring to LCW bills.
- Ron Arnoldson, agreed with what Mr. Jenkins stated about the investigation report and fees, along with other ongoing investigations and evaluating the costs.
- Nancy McNeil, commented about the person who caused the latest investigation by violating process is now complaining about not following process.
- Kevin Rice, spoke about the appalling bills for legal counsel and LCW, investigation was shoddy and the bill should be questioned.

Chairman Shoals closed the Public Comment period.

Chairman Shoals asked Technical Consultant Sweet to respond to questions regarding the Liebert Cassidy Whitmore ("LCW") bills. Mr. Sweet clarified the invoices were for a two-month period and provided information. Legal Counsel also provided responses regarding the warrants and the review process for those warrants. Special Legal Counsel was also asked to provide any additional information and clarification on the LCW invoices.

Board comments ensued, with the following action taken:

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

**Second:** Chairman Shoals

**Action:** Motion approved 2 – 1

**Ayes:** Director Austin and Chairman Shoals

**Noes:** Director Hill

Chairman Shoals then opened the Public Comment period for the remaining item on the Consent Agenda.

Speaking from the public were:

- Julie Tacker, stated the District should get out of the litigation business, questioned the LCW contract being retroactive, and the number of investigations at the District.

Chairman Shoals closed the Public Comment period.

**5B. Approval of Minutes for Meeting of September 6, 2017**

**Motion:** Director Hill made a motion to approve the Minutes, noting the minutes stated the previous speaker spoke on the LCW contract.

**Second:** Director Austin

**Action:** Motion approved 3 - 0

**Ayes:** Directors Austin, Hill and Chairman Shoals

**Noes:** None

**6. ACTION ITEMS:**

**6A. JOINT INVESTIGATION WITH ARROYO GRANDE:**

- 1. PRESENTATION BY LIEBERT CASSIDY WHITMORE (“LCW”);**
- 2. DIRECTION TO STAFF.**

Technical Consultant Sweet provided a brief report regarding the presentation by Liebert Cassidy Whitmore (“LCW”) with the findings of the joint investigation with the City of Arroyo Grande, and to provide direction to staff. He also noted some additional information received from the City of Arroyo Grande, and other supplemental information that had been received. Mr. Sweet then introduced Shelline Bennett of Liebert Cassidy Whitmore (“LCW”) who presented the Final Legal Conclusions and Recommendations following Allegations of Brown Act Violations by Arroyo Grande Mayor and Board Member Jim Hill. Ms. Bennett provided an in-depth report on the allegations primarily affecting the Sanitation District which included: (1) Disclosure of confidential District and City closed session communications to third parties; (2) Disclosure of confidential District and City attorney-client communications to third parties; (3) Acting unilaterally and outside the scope of his legislative role as Board Member and Mayor, including involvement in personnel matters; and (4) Disclosure of confidential District and City personnel information to third parties.

Board questions and comments ensued. Director Austin asked for an explanation regarding immunity and liability of the Board (Special Counsel provided response), the billing for LCW, polling of the public records requests and a question on a particular document (Special Counsel provided response), invoice estimate for the District and the City; and LCW offices and locations. Director Hill questioned District Counsel as to who reviews and prepares staff reports (District Counsel responded), referred to several allegations raised in the Investigative Report by Investigator Scott Nelson and requested Special Counsel to respond to each of the questions raised, referenced emails and other documents that were cited in

the report, noting the report was factually inaccurate, and responses were inadequate, questioned Special Counsel regarding Page 18 of the report that stated “the District’s Board of Directors includes three Directors and two Alternates”, Special Counsel provided responses, followed by comments from Director Hill.

***Chairman Shoals called for a break at 8:16 p.m. The Board reconvened at 8:25 p.m.***

Chairman Shoals asked Special Counsel about oversight with investigations that LCW handles, Special Counsel provided a response; and conflict of interest with legal counsel and LCW, District Counsel provided a response.

Chairman Shoals opened the Public Comment period.

Speaking from the public were:

- Stewart Jenkins, stated he had a few responses to what had been stated, encouraged the Board to do the right thing and move forward, that there was no refusal by Mayor Hill to participate, due process is guaranteed by the Constitution, and LCW not complying with basic due process; referenced numerous sections in the LCW letter, and feels Mayor Hill deserves an apology.
- Nancy McNeil, voiced numerous concerns including refusal of Director Hill to participate in the investigation, investigations are done to uncover the truth and the facts and LCW has done an exceptional job with the investigation, pay for mistakes and learn from them, and implement the recommendations that have been made by LCW.
- Mike Brennler, commented about good government, supported and respected Director Hill, and questioned the investigative report and those involved.
- Coleen Kubel, commented about time not given to Mr. Jenkins or his responses, support for Director Hill and blames others for the investigation.
- Mary Lucey, spoke about good government, paid \$100,000 for the Knudson Report, and the LCW Investigative Report was exceptional.
- Ron Holt, spoke about the law firm of LCW being politically motivated and biased, possible conflict if LCW was handling another investigation for the District.
- Ron Arnoldson, commented about the investigative report and Special Legal Counsel, and changing of the Bylaws.
- Julie Tacker, distributed a document and referenced the Jenkins letter, spending more money redacting phone numbers and charging for it, and complying with the Public Record Act with regard to the Investigator.
- Joe Shacker, spoke about the former District Administrators, and the hiring of a new Administrator.
- Kevin Rice, commented about the “kangaroo court witch hunt”, and the investigative report being irrelevant.
- Shirley Gibson, spoke about the cost of the public records request that the City and District will have to pay, past pattern of Director Hill in driving out past City Managers District Administrators which cost the ratepayers money for hiring replacements.

- Debbie Peterson, spoke about human rights and Mayor Hill is entitled to human rights, the Board should declare a mistrial and move on, referenced emails and the bylaws, and noted in an email that she met at a local business and she did not attend any meetings as was noted.
- Kris Victorine, commented about serial meetings and offered an explanation from what was in the investigative report, and inconsistencies with the report.
- Patricia Price, commented about the public records requests and the expense created, no confidence in the Investigative Report, has concerns about other investigations in the District and feels they will be unbiased, and that Director Hill was not interviewed.

Chairman Shoals closed the Public Comment period.

Board questions and comments ensued. Director Austin questioned due process; Special Counsel responded. Director Hill commented that the investigation showed he consistently asked that items be placed on an agenda which did not occur, has not done misdeeds as characterized, did not refuse to participate in the investigation as he was leaving on vacation and asked Mr. Jenkins to respond to the request, shares concerns about other investigations at the District and the potential for unfairness, leaves it in the hands of the Board and stated Special Counsel owes him an apology. Director Austin commented about the focus of the investigation and the “threat of litigation” and spending thousands of ratepayer dollars to uncover the truth, Director Hill’s refusal to accept responsibility, no remorse and no admission of wrongdoing on what was proven by the Investigator and noted in the Investigative Report. She also provided other comments as to the report and Director Hill’s pattern of behavior and the interaction with third parties and interaction on the Board that put the District in the threat of litigation due to his misconduct. Chairman Shoals stated he is not interested in a witch hunt and it is unfortunate that this is before the Board and that all are subject to attacks which come with the territory. He shared his many concerns, specifically when it comes to personnel issues and items that were requested to be placed on an agenda and not following the bylaws. It does become a concern when you infringe on an employee’s right to privacy and protecting the District. He also noted issues related to the Administration trailer, related permits that were handled by the former District Administrator and commented about the number of issues and projects that were handled by the former District Administrator. He also corrected comments that were made by Mr. Rice. He concluded by stating that some action must be taken on this item. Director Hill then spoke about allowing an employee to address the Board in closed session; District Counsel responded to the question. Director Hill responded that the Board was put on notice to be watchful of issues at the District. Chairman Shoals provided additional comments. Director Austin stated she represents the residents of Oceano and the District.

Chairman Shoals called for the motion:

- Motion:** Director Austin made the following motion:
- Adopt recommendations provided by Liebert Cassidy Whitmore;
  - Direct staff to prepare a resolution of public censure and agendize for a future meeting;
  - Draft letter for Chair's signature to be addressed to City of Arroyo Grande requesting that they designate a different representative to the Board and authorizing Legal Counsel to research whether it is feasible or plausible;
  - Direct staff to exclude Director Hill from all confidential emails;
  - Direct staff to not respond to unilateral direction from any Board Member and to notify the entire Board immediately of such actions;
  - Direct staff to not respond to any attempt by any Director to interfere in personnel matters and notify the entire Board if such attempts are made;
  - Adopt the recommendation to have one-on-one training with the Director, and could include all Directors.

**Second:** Chairman Shoals

**Action:** Motion approved 2 – 1

**Ayes:** Director Austin and Chairman Shoals

**Noes:** Director Hill

Chairman Shoals then inquired if there would be a Board consensus to add an item to a future agenda to consider the formation of an executive committee consisting of the two City Managers and the General Manager to help provide some oversight to explore and research the possibility of expanding the Board to five members. Board discussion ensued with direction to have staff research and come back to the Board at a future meeting with recommendations and/or suggestions.

Due to the lateness of the meeting, Board discussion ensued to extending the time for the meeting.

**Motion:** Director Austin made a motion to extend the meeting to 10:20 p.m.

**Second:** Chairman Shoals

**Action:** Motion approved 2 – 1; Director Hill voted No

**Ayes:** Director Austin and Chairman Shoals

**Noes:** None

***Chairman Shoals called for a five minute recess at 10:00 p.m. The Board reconvened at 10:05 p.m.***

**6B. TECHNICAL CONSULTANTS AND PLANT OPERATION'S REPORT**

**Motion:** Director Hill made a motion to continue Item 6B. to the next regular Board meeting.

**Second:** Director Austin

**Action:** Motion approved 3 – 0

**Ayes:** Directors Hill, Austin and Chairman Shoals

**Noes:** None

**7. BOARD MEMBER COMMUNICATIONS**

None.

**8. CLOSED SESSION**

District Counsel Gilbert Trujillo read the Closed Session items into the Record.

Chairman Shoals opened the Public Comment period.

Speaking from the public were:

- Julie Tacker, commented about closed session, no Union until the former Administrator arrived, violation of the Public Record Act, and ongoing litigation and investigations.
- Stewart Jenkins, commented about the Brown Act and referred to code sections in items 8B and 8C; Legal Counsel provided response.

Chairman Shoals closed the Public Comment period.

The Board adjourned to closed session at 10:20 p.m. to consider the following items:

**8A. CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section 54957.6:** Agency designated representatives: Richard Sweet or Paul J. Karp; Susan Wells and Employee organization: Service Employees International Union (SEIU) Local 620

Discussed, no reportable action.

**8B. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:** significant exposure to litigation pursuant to **paragraph (2) of Government Code Section: 54956.9 (d), paragraph 2, and (e)(5):** Three Items

Discussed, no reportable action.

**8C. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:**  
significant exposure to litigation pursuant to **Government Code Section:**  
**54956.9 (d), paragraph 2, and (e)(4):** One Item

Discussed, no reportable action.

The Board reconvened the meeting at 10:35 p.m.

**9. ADJOURN MEETING**

The meeting was adjourned at 10:36 p.m.

**The next regular Board of Directors meeting is scheduled for  
October 4, 2017, 6 pm at the  
Arroyo Grande City Council Chambers,  
215 E. Branch Street, Arroyo Grande, California 93420**







# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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## STAFF REPORT

**Date:** October 4, 2017  
**To:** Board of Directors  
**From:** Technical Consultants  
**Subject:** **CONSIDERATION OF RESOLUTION OF CENSURE OF DIRECTOR JIM HILL**

### **RECOMMENDATION:**

That the Board considers a resolution of censure of Director Jim Hill.

### **BACKGROUND AND DISCUSSION:**

On March 1, 2017, the Board approved a request from the City of Arroyo Grande to participate in an independent joint investigation of alleged misconduct by the Mayor of Arroyo Grande concerning his representation on the District Board. The investigation was performed by Liebert, Cassidy Whitmore (LCW) and was completed and made available to the public at the District website ([sslocsd.org](http://sslocsd.org)) in early August.

At the September 6, 2017 District meeting, the Board chose to waive its confidentiality regarding a memo prepared by LCW which provides conclusions and recommendations. At the September 12, 2017 meeting of the Arroyo Grande City Council, Council acted to waive the confidentiality associated with the LCW memo. Managing Partner of LCW, Shelline Bennet, presented the LCW Conclusions and Recommendations to the Board at the District meeting of September 20, 2017. After much public input, including legal counsel representing Director Hill and much debate and discussion of the Board, the Board directed the following actions:

- Direct staff to ignore all unilateral directions from any Director and to immediately notify the entire board of such.
- Direct staff to ignore any attempts by any Director to interfere with personnel matters and notify Board of such.

- Authorize District Counsel to draft a letter for the Chair's signature, to the City of Arroyo Grande, with researched legal justifications, requesting that Mayor Hill be removed from the District Board.
- Training for all of the Directors
- Direct staff to not provide Director Hill with any confidential emails.
- Adopt the Recommendations of LCW. These are:
  - Public Censure of Director Hill.
  - Training for Director Hill pertaining to Ethics as well as the Brown Act.

Public Censure, as recommended by LCW, allows the Board to publicly condemn Hill's conduct.

Section 6.9 of the District's Board Bylaws allows any **director** to complain in writing about another director's conduct. After notice, an opportunity to respond, and review and a report by District Administrator and Counsel, the Board may choose to reprimand a director's inappropriate behavior via censure.

As discussed above, the matter before the Board did not begin with a District director's complaint under Section 6.9. However, as discussed in LCW's legal conclusions and recommendations, censure is a legally appropriate response to the facts reported in the joint investigation report. Director Hill and his legal counsel have also been afforded notice and a public opportunity to respond to the report and legal conclusions and recommendations, as contemplated by Section 6.9.

Attachment: Resolution of Censure

**RESOLUTION NO. 2017-377**

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT BOARD OF DIRECTORS APPROVING  
CENSURE OF DIRECTOR JIM HILL**

**WHEREAS**, at their March 1, 2017 meeting the District approved entering into an investigation with the City of Arroyo Grande into allegations against Director Jim Hill; and

**WHEREAS**, an independent investigation was performed by licensed investigator Scott Nelson, and the results of that investigation published in a report that was conveyed to the Board members on August 7, 2017 and placed on the District's website; and

**WHEREAS**, LCW prepared legal conclusions and recommendations pertaining to the investigation, which were conveyed confidentially to the Board on August 7, 2017; and

**WHEREAS**, in a letter dated September 5, 2017, Director Hill via his attorney Stewart Jenkins responded to the investigation and conclusions; and

**WHEREAS**, on September 6 and September 12, 2017, respectively, the District Board and Arroyo Grande City Council waived the attorney-client privilege applicable to the legal conclusions and recommendations; and

**WHEREAS**, LCW presented the conclusions and recommendations to the District Board at its meeting of September 20, 2017; and

**WHEREAS**, at the meeting of September 20, 2017 Director Hill and his attorney, Stewart Jenkins, further responded to the report and the conclusions and recommendations; and

**WHEREAS**, LCW concluded that Director Jim Hill disclosed attorney-client communications, unilaterally acted outside his legislative role, and disclosed confidential personnel matters; and

**WHEREAS**, LCW recommends censure of Director Jim Hill; and

**WHEREAS**, after receiving public input and presentations from LCW, Stewart Jenkins and Director Hill, the Board directed that the recommendations of LCW be implemented;

**NOW, THEREFORE, BE IT RESOLVED** by the South San Luis Obispo County Sanitation Board of Directors:

The Board of Directors of South San Luis Obispo County Sanitation District hereby disapproves, condemns, and dissociates itself from the actions of Director Jim Hill disclosing attorney-client communications, unilaterally acting outside of his legislative role, and disclosing confidential personnel matters.

**PASSED AND ADOPTED** at a regular meeting of the South San Luis County Sanitation District Board of Directors held this fourth day of October 2017.

On the motion of \_\_\_\_\_ seconded by \_\_\_\_\_, and by the following roll call vote:

AYES:

NOES:

ABSENT:

CONFLICT:

**CERTIFICATION**

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held on October 4, 2017.

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Richard Sweet  
Technical Consultant

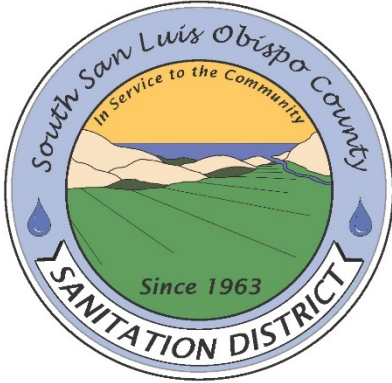
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John Shoals, Chair  
Board of Directors,  
South San Luis Obispo County Sanitation District

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Gilbert A. Trujillo  
District Co-Legal





## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

<http://www.sslocsd.org/>

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Date: October 4, 2017

To: Board of Directors

From: Paul Karp and Richard Sweet, Technical Consultants; Fanny Mui, Interim Plant Superintendent

Subject: **TECHNICAL CONSULTANTS AND PLANT OPERATION'S REPORT**

This report represents ongoing information on latest District staff activities on, major capital project and studies, programmatic initiatives, regional collaboration, NPDES discharge permit renewal, Plant Operation's report detailing our operation and maintenance activities. *Updates since the last report are provided in italics below:*

### **Major Capital Projects:**

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

CEQA: Status: Complete. Board approved MND at its September 7, 2016 meeting.  
Regulatory permits: Complete. All Regulatory permits received.

At the June 21, 2017 Board meeting, the Board awarded a contract to Brough Construction Inc. in the amount of \$280,200. Since then an Agreement has been executed by both parties. A bird nesting survey was recently commissioned in order for the project to initiate work on August 1<sup>st</sup>. *Project is 75 percent complete and will be completed by October 31st. Site visit by technical consultants verified project progress.*

### **Mechanical Bar Screen – Status: Operational.**

During the week of July 24<sup>th</sup>, Duperon representatives were on-site to install additional components and address remaining operational issues. *A final change order for approximately \$6,000 is being processed. Contractor is installing devices to enhance*

*the facility discharge. Significant efforts are underway to bring the project in conformance with specifications. Final payment is pending completion to refine discharge.*

- **Redundancy Project:**

Design: On March 16, 2016, the Board approved a design contract with Kennedy/Jenks for Phase I of this project. On June 21<sup>st</sup>, the Board approved proceeding with the remaining phases under the contract, including final design. On July 5<sup>th</sup>, the Board approved Optional Task 1.4A – Alternatives for Future Production of Recycled Water. Several meetings are planned with Kennedy/Jenks on August 2<sup>nd</sup> to discuss both the design for flood mitigation and progress on optional recycled water task.

A meeting with the Design team and stakeholders was held on Wednesday, August 2, 2017 to define Flood Hazard Mitigation priorities. A phone conference between design team and Technical Consultants was held to define options and timeframes. Options will be presented to the board in late fall of 2017.

Coastal Commission Permitting:

On May 10, 2017, the Commission voted unanimously to approve a 30-year Coastal Development Permit for the Project (see attached press release). The Commission approved revised Findings on June 7<sup>th</sup> finalizing their May 10<sup>th</sup> decision. The Notice of Intent to Issue a CDP was received from Coastal Commission staff on June 19<sup>th</sup>, and staff returned it acknowledging its receipt. Environmental Science Associates is under contract to develop the Coastal Hazard Plan, (one of the conditions contained in the CDP), and will be meeting/touring our facility on August 1<sup>st</sup>.

Financing:

State: All portions of the SRF loan package application have been submitted to SWRCB. On July 13<sup>th</sup>, staff attended a SWRCB SRF Policy and Prioritization workshop. At the workshop SWRCB staff presented the latest information on the program, future fund/loan availability (still more demand than funds availability), and suggestions from audience members on how to make the program more efficient. In addition, a conference call with SWRCB SRF loan staff was held on June 28<sup>th</sup> to discuss our application. Based upon the call, SWRCB staff has requested a number of submittals including recirculating the MND Addendum through the State Clearinghouse and Board re-adoption, updated cultural resources report, biological species lists for project area, and air quality modeling for construction. Staff will be bringing at a future meeting options to move forward on these submittals.

Federal: United States Department of Agriculture: On June 2<sup>nd</sup>, staff and MKN met on-site with two USDA representatives to discuss programs USDA administers for funding wastewater infrastructure. The meeting was very positive, with indications the District could be eligible for grants and loans up to one third of the amount needed for the Redundancy Project through a disadvantageous community program. A follow-up meeting and tour of our WWTP was held July 11<sup>th</sup>. Additional items they are requiring include a preliminary engineering report, updated alternative analysis consistent with NEPA, and preparation of a categorical exclusion.

- **Biosolids Concrete Slab:** Preliminary engineering and design work is complete. With Coastal Commission approval now received, this project can proceed to the next step, with bid advertisement, and award. We anticipate construction of this project (approximately \$33,000) occurring in late 2017 or Spring 2018.
- **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. The first phase is 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. At the April 5<sup>th</sup> Board meeting, the Board approved funding for 1<sup>st</sup> phase of this project. An executed Agreement was recently issued to Wastewater Solids Management for \$243,690 and work is expected to start on August 21<sup>st</sup>. The temporary centrifuge has arrived from Pace, and is operational. District staff continues to prepare the plant for the project. During the week of August 8<sup>th</sup>, staff repaired a valve necessary to redirect sludge from digester no. 1 to digester no. 2. *Project is well underway with primary digester drained approximately 80%. Contractor indicates that there is approximately a week of product removal remaining. MKN has been authorized to perform evaluation of structure integrity.*
- **District Control Building and Office:** Significant issues and problems are evident in the District's Operational and Administrative Building. The new concrete flooring for the building has been installed. The next steps are a thorough/deep cleaning of the building, replacement baseboards, interior painting and new furniture. Painting is complete, computer communication equipment has been installed and the facility is operational. *Phone system is being evaluated for efficiencies and enhancements.*

District staff executed a contract with an architectural firm for an audit/assessment of the existing building for disabled access and 2016 Building Code compliance. The Audit Report completed identifies a number of deficiencies that will need major and minor corrective actions. Surveying for the ADA ramps and project plans are projected to be completed in September.

### **Studies:**

**Recycled Water Planning Facilities Study Grant:** Complete. Staff submitted the Final Study to SWRCB on June 9, 2017. We are awaiting SWRCB final acceptance and a letter allowing final reimbursement. Upon receipt of that letter, District staff will prepare the required documentation and invoice for submission.

**Inflow & Infiltration (I & I) Study:** The District's plant received significant increased flow this past wet weather season. A multiple phased I&I study approach is being utilized first with the installation of new flow meters to measure any increase flow from our member agencies collection system. Both Phase I and Phase II of the Study were included in the adopted Budget for Fiscal Year 2017-18. As the first step, District staff has purchased another flow meter to collect data for one of our trunk lines.



## **Programmatic Initiatives**

Outreach Initiative: At the June 19<sup>th</sup> Board meeting, the Board approved the Summer 2017 Newsletter. Next steps include printing and distributing the Newsletter through our member agencies utility bills.

Office Job Trailer: On August 31, 2017 the office job Trailer was removed from the site and returned to Atlas Performance Industries, Inc.

Records Management Initiative: At the May 3, 2017, Board meeting the Board adopted a comprehensive overhaul of our existing Records Retention Policy. Staff is also considering various options for housing our C-Train records, as the C-Train must be removed by September 1<sup>st</sup> per the Coastal Commission CDP waiver issued back in December 2016. These options are being coordinated through the SLO District Attorney's office. The Technical Consultants are considering options to allow the Seatrain to remain onsite thereby allowing the records to remain onsite. The California Coastal Commission has been contacted to assess permitting requirements. The District is awaiting a response from the Commission.

Human Resources/Personnel Policy Manual Update: All Sections of PPM have now been reviewed (including legal input), updated with significant and comprehensive revisions. Subsequently, the entire revised and updated Manual was sent to SEIU employee union representatives. At the June 17<sup>th</sup> meeting SEIU representatives provided comments on all Sections of the Updated PPM, except the job descriptions. Comments on the latter are expected at the July 28<sup>th</sup> meeting.

*The negotiation team met with SEIU representatives on September 14th to discuss and refine SEIU's latest proposals and revisions to the draft Memorandum of Understanding. SEIU is considering the present proposal.*

Strategic Planning Initiative: The Strategic Planning Workshop has been postponed to September.

Financial Initiative: Annual Fiscal Year 2015-2016 Audit: District auditors Glenn Burdette, continue to work with staff to complete our Audit. On July 21<sup>st</sup>, staff received another list of open items to complete, and have tasked our bookkeeper to work with our Auditors to complete the items as soon as possible. There has been a flurry of materials provided to Glenn, Burdett. Significant progress is being made towards completion of the audit.

## **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 Beach, and the District (with participation of our member agencies: Cities of Arroyo Grande, Grover Beach, and Oceano CSD). On June 20<sup>th</sup>, the MOU between the City of Pismo Beach and the District was approved by the Pismo Beach City Council. The City also awarded a contract for the joint EIR

to Rincon Consultants at that same meeting. The Technical Consultants are meeting with the regional advisory group in September. *Technical Consultants met with Water System Consulting to be briefed on project status. Technical Consultants met with WSC marketing team.*

- Northern Cities Management Area Technical Group - The NCMA TG, formed as a result of the Santa Maria Groundwater Basin (SMGB) Adjudication, 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.
- 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 and reclamation.
- Zone 1/1A Flood Control Advisory Committee – The Committee’s 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. The Board appointed Paul Karp, Technical Consultant to the District, to the Flood Control Advisory Committee.
- Integrated Regional Water Management (IRWM). IRWM is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region-wide scale.
- San Luis Obispo County Flood Control and Water Conservation District Water Resources Advisory Committee (WRAC)
- 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 September 22<sup>nd</sup>.*

#### RWQCB NPDES Permit Renewal

Based upon a recent conversation with RWQCB staff, a draft permit is not likely to be released for public review before late 2017.

In addition, staff revised the Sewer System Management Plan Audit Report to come in compliance with our General WDR. The WDR requires an Audit be completed every two years. Unfortunately, this Audit report was due last summer and was not timely completed. This Audit Report describes our planned activities under the Plan for the upcoming year.

#### District’s Brine Disposal Program:

District staff completed a revised Brine Disposal Plan this month, and submitted it to the RWQCB for review and evaluation.

#### Public Records Requests

- *During the month of August, the District received 5 Public Records Requests. October values will be submitted at the October 18, 2017 meeting.*

## Plant Operation's Report

During the reporting period of September 1<sup>st</sup> – September 27<sup>th</sup>, 2017, it is not yet known if the District's facility continues to regularly meet its Permit limitations as required under the State of California's National Pollutant Discharge Elimination System (NPDES) Permit. Due to renovation of the District's Office, lab analysis has been contracted out. Results from contracted labs take longer to receive than in house lab analysis. Data will be updated as lab results are received. *All process values (lab test results) were within permit limits.*

### Monthly Plant Data as of September 27<sup>th</sup>, 2017

September 2017	INF Flow MGD	INF Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	BOD % Removal	INF TSS mg/L	EFF TSS mg/L	TSS % Removal	Fecal Coliform MPN/100mL	Chlorine Usage lbs/day
Low	2.24	3.4	360	21		410	29		2	125
High	2.72	5	380	24		570	57		1600	484**
Average	2.45	3.92	370	23	93.8	470	39.6	91.6	115	272
Sept 2016 AVG	2.26	3.6	472	29.3	93.8	453	40.5	91.1	125.9	230
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

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

\*\*High chlorine usage due to filling of secondary bug box chlorine tote; filling of secondary bug box tote does not necessarily mean a large amount of chlorine was used that day.

### Operation and Maintenance Projects

- All Operations staff assisted in completion of daily operations, rounds, and reads
- Reviewed and checked U.S.A.'s near District trunk sewer lines
- Duperon barscreens at Headworks
  - Fluid Resource Management to address multiple VFD failures on Washer/Compactor
  - Manual barscreens in use while Duperon barscreens are offline
  - FRM cleared out the Washer/Compactor and adjusted orifice restrictor plate to 90°
  - Duperon barscreens put back online, but Washer/Compactor fault issues continued to occur
  - FRM removed orifice restrictor plate and noticed structural abnormality on access door of lower chute
  - FRM performed cleaning and inspection of the lower chute
  - New chute to be fabricated
- Primary Digester Cleaning Project
  - WSM continues digester cleaning operations
  - Opened lower entrance hatch
  - Hosing down the inside of the digester
- Unplugged GritKing by shutting it down to drain and remove rags. Put back online after cleaning and flushing out all debris

- Replaced fuel pump and filter on sweeper
- Replaced fittings, ball and spring on Polyblend mixer at Splitter box
- Installed plug into Secondary Digester #1 supernate tube to keep gas from venting out
- Thoma Electric replaced grinder overload relay switch
- Repaired water spigot at Ferric tank station
- Work Orders
  - Test ran Emergency Generator on new fuel tank and Emergency Bypass Pump
  - Performed inspection and maintenance on drive units of primary and secondary clarifiers
  - Inspected FFR distribution arms and ports operation. Checked surface of media for excessive rags
  - Cleaned FFR VFD cabinets, pumps, motors, piping, valving and motors
  - Cleaned Effluent pump VFD cabinets and fan filters
  - De-ragged both primary clarifier sludge pumps
  - Rinsed both primary clarifiers
  - Rinsed secondary clarifier
  - Changed out desiccators for all electrical control boxes
  - Changed influent ISCO pump tubing

#### **Training**

- Safety meeting about Heat-related Illnesses and First Aid
- Superintendent Mui attended Annual Tri-State Seminar in Las Vegas, NV

#### **Call Outs**

- No call outs to report for this reporting period