



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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BOARD OF DIRECTORS MEETING

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

**Action Summary Minutes of the
Meeting of Wednesday, August 2, 2017, at 6:00 p.m.**

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
Linda Austin, Vice Chair, Oceano Community Services District
Jim Hill, Director, City of Arroyo Grande

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

2. PLEDGE OF ALLEGIANCE

Chairman Shoals led the Pledge of Allegiance.

3. AGENDA REVIEW

Upon consensus of the Board of Directors the Agenda was approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

Chairman Shoals opened the Public Comment period.

Julie Tacker commented on items that continue to not be on the Agenda, the the Public deserving a full explanation of former District Administrator Hubner's separation from the District, her continued request as to why Liebert Cassidy Whitmore was retained, and she looks forward to seeing the District's Strategic Plan.

Shirley Gibson, Halcyon, spoke regarding former District Administrator Hubner's success was dependent on a supportive environment which did not exist during his employment and the District Board doing their due diligence when looking at applications for a new District Administrator.

Mary Lucey, Oceano, commented on the Board keeping personnel issues confidential, a memo from Director Hill and the Board providing more leadership and protection for the District employees.

Coleen Kubel stated the need to look forward and that no one should be criticized.

Patty Welsh agreed with the previous speaker.

Debbie Peterson, Grover Beach, read excerpts from the 1714 Riot Act of the Parliament of Great Britain and the Ralph M. Brown Act.

Patricia Price read excerpts from the Ralph M. Brown Act.

Ron Holt, Arroyo Grande, commented on the Ralph M. Brown Act, a cease and desist order being ignored, improper notice of Closed Session items, employees not given a reason for Admin Leave, public apology for Director Hill, John Clemons and Amy Simpson, certificates for Harassment and Brown Act trainings.

Ron Arnoldsen commented on Closed Session items, no report of actions taken in Closed Session and the former District Administrator.

Chairman Shoals closed the Public Comment period.

Chairman Shoals welcomed Paul Karp and asked the District Counsel to comment on Closed Session Brown Act requirements.

Gil Trujillo, District Legal Counsel, advised the Board the Brown Act had been followed to the best of their ability and knowledge and there had been no violations of the Brown Act.

Director Hill commented on the memo referenced by Mary Lucey.

Chairman Shoals spoke of the public being allowed to make comments and working toward meetings decorum.

5. CONSENT AGENDA:

Director Hill requested each Consent Agenda item be taken separately.

5A. Approval of Warrants

Director Hill commented on the legal and Human Resource fees and stated he would be voting against the Warrants because of those fees.

Chairman Shoals opened the Public Comment period.

Julie Tacker commented on outside legal bills coming back to the Board if they exceeded \$20,000, not knowing if the legal bills are coming out of last the Fiscal Year budget or the current budget, her concern about six invoices for Liebert Cassidy Whitmore on one Warrant Register, if there is one big investigation or little ones, a large

check from the Regional Water Quality Board, ground water modeling, intrusion of sea water in 2009, and cost for the Redundancy Project.

Mary Lucey, Oceano, spoke of high legal costs when negotiating employee contracts.

Debbie Peterson, Grover Beach, compared the District's legal costs to other Districts.

Chairman Shoals closed the Public Comment period.

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

Second: Director Shoals seconded the motion.

Action: Motion was approved 2 - 1. Director Hill voted NO.

Ayes: Directors Austin and Shoals

Noes: Director Hill

5B. Approval of Minutes of Meeting of July 19, 2017

Chairman Shoals advised he had not been present at the July 19, 2017 Board of Directors meeting.

Director Hill also advised he was not at the July 19, 2017 Board of Directors meeting and requested District Legal Counsel's opinion on whether they should vote on the Minutes.

District Legal Counsel Trujillo advised not being present at a meeting did not bar a member from voting on the Minutes if they have viewed the video or listened to a tape recording of the meeting and they are familiar with the contents of the meeting.

Chairman Shoals opened the Public Comment period.

There being no Public Comment Chairman Shoals closed the Public Comment period.

Motion: Director Austin made a motion to approve the Minutes of July 19, 2017.

Second: Director Hill seconded the motion.

Action: Motion was approved 2 – 0. Since he was not in attendance at the July 19, 2017 meeting nor had he viewed or listened to a recording of the meeting Director Shoals abstained from the vote.

Ayes: Directors Austin and Hill

Noes: None

Abstain: Director Shoals

5C. Financial Review for June

Director Hill commented that revenues throughout the last Fiscal Year are itemized at \$4.99 million with expenses at \$4.8 million, the District dispenses a total of \$400,080.00, almost \$1 million of revenues exceeded expenses. He further commented

that when comparing the cash balance of June 30, 2016 at \$5.5 million he would expect to see an increase of District funds somewhere between \$6.4 and \$6.5 million but the District is only reporting \$5.8 million. He stated he was concerned about a discrepancy of somewhere between \$600 - \$700 thousand.

Paul Karp, Technical/Administrative Services Advisor stated he would review the financials and report to the Board at the next meeting.

Chairman Shoals opened the Public Comment period.

6. ACTION ITEMS:

6A. APPROVE HIRING OF PAUL KARP AND RICK SWEET TO PROVIDE SPECIALIZED TECHNICAL SERVICES TO THE DISTRICT FOR UP TO SIX MONTHS; AUTHORIZE THE BOARD CHAIR TO EXECUTE CONTRACTS FOR THEIR SERVICES

District Legal Counsel Trujillo provided details of the proposed contract.

Director Hill suggested revisions be made to the Resolution and contract to include administrative services.

Chairman Shoals opened the public comment period.

Julie Tacker, Los Osos, called a point of order regarding decorum at the meeting. She spoke on there being no contracts for the public to review, and the Board needing to find a new District Administrator.

Amy Simpson, Oceano, questioned the account numbers listed in the Resolution.

Debbie Peterson, Grover Beach, commented on Paul Karp returning to the District, the Knudsen Report, and August 13, 2015 Minutes.

Mary Lucey, Oceano, spoke on the contract signed by John Clemons when he was Interim District Administrator, record requests and other items that will bog down the District Administration.

Chairman Shoals closed the Public Comment period.

Legal Counsel Trujillo advised there was not time to negotiate a contract before the Agenda had to be made available to the Public.

Director Hill stated he was delighted to see the return of Paul Karp and Rick Sweet and for transparency he would like to see their contract brought back to the Board.

Motion: Director Hill made a motion to adopt Resolution No. 2017-374, of the South San Luis Obispo County Sanitation District Board of Directors approving the hiring of Paul Karp and Rick Sweet to provide specialized technical and administrative services to the District, change to say technical and administrative services to the District for up to six months, and authorize and directing the Board Chair to bring the contract back at the next regular meeting for approval; and the language in the Resolution to be changed to coincide with that, specifically the first Whereas to say short-term needs for specialized technical and administrative services; the second line to provide specialized technical and administrative services to the District the change to say, technical and administrative services to the District for up to six months and authorizing and directing the Board Chair to bring the contract back at the next regular meeting for approval and the language in the Resolution to be changed to coincide with that, specifically the first Whereas that says short-term needs for specialized technical and administrative services, the second line would say to provide specialized technical and administrative services, the Resolution in item 1 would say hire to provide specialized technical and administrative services and item 2 would say the Board Chair or his designee is authorized and directed to return the contract for approval at the next regular meeting of the Board.

Second: Director Austin seconded the motion.

Action: Motion was approved unanimously by roll call vote.

Ayes: Directors Hill, Austin and Shoals

Noes: None

Abstain: None

6B. ADOPTED FISCAL YEAR 2017-18 BUDGET

Mr. Karp advised the Board that all changes had been identified and made except the transfer from Fund 19 to Fund 20 due to no specific amounts or percentages listed in the rate Ordinance for the Redundancy Project.

Director Hill commented on the rate study and amounts being identified in the budgets specifically for the Redundancy Project.

Chairman Shoals opened the Public Comment period.

Julie Tacker, Los Osos, commented on supporting documents that go with the 218 process are one package, staff not going back far enough with their research on the rate study and the transfer needs to happen.

Debbie Peterson, Grover Beach, read excerpts from the code regarding Budgets and revisions to the Budget.

Chairman Shoals closed the Public Comment period.

Chairman Shoals stated no one was interested in diverting funds.

Director Hill commented on the Board not being diligent on district funds, but he would like to see a fund within Fund 20 set aside for the Redundancy Project specifically.

6C. DISTRICT ADMINISTRATOR AND PLANT OPERATION'S REPORT

Mr. Karp spoke on there being forward progress on each project in the Report.

Director Hill spoke on financing regarding a request for a number of items from the Regional Water Quality Control Board in regard to the State Revolving Loan.

Mr. Karp advised each item is in process.

Chairman Shoals opened the Public Comment period.

Julie Tacker, Los Osos, spoke on the District loan application being incomplete, not knowing if the Community of Oceano is still a disadvantaged community, the District Control building, the trailer, the C-Train, the Human Resources Personnel Policy Manual update and an update from the July 28, 2017 meeting.

Debbie Peterson, Grover Beach, commented on a publication from the Attorney General's office regarding the Brown Act, and the press release regarding the former District Administrator.

Patty Welsh, Arroyo Grande, spoke on Public Comment.

Patricia Price, Arroyo Grande, read excerpts from the Brown Act.

Chairman Shoals called a recess at 7:20 p.m.

Chairman Shoals reconvened the meeting at 7:25 p.m.

Chairman Shoals closed the Public Comment period.

Chairman Shoals stated that the Board takes their guidance regarding the Brown Act from the District's Legal Counsel and it is his hope that future meetings can move forward in a positive way.

7. BOARD MEMBER COMMUNICATIONS

Director Hill requested four items be placed on the Agenda 1) Review of the Budget for actual attorney costs as of the end of July for Fiscal Year 2016/17, 2) place on the next agenda the number of and subjects of all investigations being conducted and associated costs, 3) full discussion of the agreement with the former Administrator and the vote taken and 4) an item to advise to return Mr. Clemons and Ms. Simpson to their positions.

8. ADJOURN MEETING

The meeting was adjourned at 7:30 p.m.

The next regularly scheduled Board meeting is on August 16, 2017, 6 pm at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433