



**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

**Action Summary Minutes of the  
Regular Meeting of Wednesday, October 18, 2017, at 6:00 p.m.**

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

Acting Chair White called the meeting to order and recognized a quorum.

Present: Karen White, Acting Chair, Oceano Community Services District  
Jim Hill, Director, City of Arroyo Grande  
Barbara Nicolls, Alternate Director, City of Grover Beach

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

**2. PLEDGE OF ALLEGIANCE**

Director Hill led the Pledge of Allegiance

**3. AGENDA REVIEW**

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

**Second:** Alternate Director Nicolls

**Action:** Motion approved 3 – 0

**Ayes:** Director Hill, Alternate Director Nicolls and Acting Chair White

**Noes:** None

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

Acting Chair White opened the Public Comment period.

Patricia Price commented about her years of attending and watching meetings during the Wallace years and Mr. Clemons years; the past Administrator and the many issues during

his time at the District, legal bills, transparency, and concern about who is operating the plant.

Patty Welsh commented about moving on, but the past continues to be brought up; and the status of the hiring of a District Administrator, and no RFP for replacing the former District Administrator.

Debbie Peterson spoke about the past, and commenting as a private rate payer, that Director Hill broke no laws, and that the attorney should notice closed sessions properly.

Julie Tacker spoke about the Board's agenda, a letter she has submitted asking for an investigation into Chairman Shoals, his meeting with an employee as he was outside of his duties, the separation agreement with Mr. Clemons which was not on an agenda and no report given from closed session, she stated she has a copy of the separation agreement and would like to know who voted and how the Board got to the separation with Mr. Clemons.

Mary Lucey commented about contradictions, rate increase, investigations, and the problems at the District related to the former Chief Plant Operator.

Colleen Kubel spoke about moving the plant forward, the need to stop false statements and not prejudice.

Kris Victorine spoke about the LCW Investigation Report, the report identified violations determined through the finding of fact, three situations that were identified that were clearly not finding of fact, and referenced several pages of the report.

Shirley Gibson stated that comments which have been made do not do anything positive for moving the District forward; the former District Administrator has moved on as has the Plant Superintendent, we're getting out of the litigation business, and time to move on.

Acting Chair White closed the Public Comment period.

Director Hill asked that Legal Counsel speak to the question that was asked about the vote on the separation agreement with Mr. Clemons.

Legal Counsel responded stating that the separation agreement was approved in Closed Session and was approved on a 2-1 vote with Director Hill voting no.

## **5. CONSENT AGENDA:**

Director Hill requested the Approval of Warrants be taken separately, that invoices are found to be unsustainable and would not support the approval of the warrants; the investigations that were never approved by the Board and the legal bills that were caused by the investigations.

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

Acting Chair White opened the Public Comment period.

Julie Tacker spoke about legal expenses, Mr. Sweet's bill, the Shannon Sweeney contract issue, and LCW's legal bills which should have ceased.

Mary Lucey commented about legal bills, having to handle the negotiations and human resource work, LCW did an excellent job, would like to see a cost analysis of the plant and the damage that has been done.

Debbie Peterson spoke about legal fees, compared fees to that of Grover Beach.

Patty Welsh commented about the prior speaker's meeting with Mr. Sweet and would like to know how to reach him, as she has not been able to meet with him.

Kris Victorine commented regarding Ms. Stockton's legal fees and her working with the District Attorney.

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

**Second:** Acting Chair White

**Action:** Motion approved 2 – 1

**Ayes:** Alternate Director Nicolls and Acting Chair White

**Noes:** Director Hill

**5B. Approval of Minutes for Special Meeting of September 28, 2017**

Acting Chair White and Alternate Director Nicolls were not in attendance at this special meeting and the meeting was not taped, therefore the Minutes would be continued to the next meeting.

**5C. Approval of Minutes for the Regular Meeting of October 4, 2017**

Acting Chair White opened the Public Comment period.

Julie Tacker commented that the meeting of September 28, 2017 was a special meeting and not taped as it was a closed session. She also commented about October 4, 2017 minutes, the censure of Director Hill, the separation agreement with Mr. Clemons, email that was noted in the LCW Investigation Report, Shannon Sweeney contract issue, and the Stewart Jenkins letters on the website.

Shirley Gibson spoke again about going back to the past, time to move on and the job of the District, have legal counsel address the issue about Mr. Jenkins letter on the website.

Acting Chair White closed the Public Comment period.

**Motion:** Alternate Director Nicolls made a motion to approve the Minutes as presented.

**Second:** Director Hill

**Action:** Motion approved 3 - 0

**Ayes:** Alternate Director Nicolls, Director Hill and Acting Chair White

**Noes:** None

**5D./5E. August & September Financial Reports. Receive and File.**

Director Hill provided an illustrative review of the reports noting questions regarding the financial amounts shown. Specifically \$650,000 approximately not properly accounted for in Fiscal Year 16/17 and again approximately \$200,000 not properly accounted for August 2017.

Technical Consultant Sweet responded to questions raised by Director Hill, stating staff will be delving into the numbers and working with the accountant to obtain answers.

Board comments followed.

Acting Chair White opened the Public Comment Period.

Julie Tacker commented about the audit not being finalized, the 2017 audit is now delayed, discrepancies with the reports, past Administrator's errors, sounds like an accounting error.

Mary Lucey commented that it could be a one-time problem or over a period of time, contracts being signed for a number of major projects, legal costs, settlements and other issues at the plant.

Colleen Kubel stated the issues need to be checked out, not placing the blame on someone else, and move forward not back.

Acting Chair White closed the Public Comment Period.

**6. ACTION ITEMS:**

**6A. DISCUSSION AND CONSIDERATION OF APPROVAL TO AMEND THE MICHAEL K. NUNLEY & ASSOCIATES, INC. AGREEMENT**

Technical Consultant Rick Sweet provided the Staff Report requesting amendment to the MKN and Associates contract for general engineering services and increasing the total contract limit and extending the contract date to January 31, 2019.

Board questions and comments followed.

Acting Chair White opened the Public Comment Period.

Julie Tacker spoke on the Nunley contract, notification about the manholes, reflective of the upset in Administration, and other issues related to the contract.

Mary Lucey spoke about the digester cleaning, the notice regarding the manholes, and increasing Mr. Nunley's contract.

Board comments and questions followed. Technical Consultant Sweet responded to the questions.

Acting Chair White closed the Public Comment period.

**Motion:** Director Hill made a motion that the contract for general engineering services with MKN & Associates Inc. be amended and increased from \$100,000 to \$150,000 and extending the termination date to January 31, 2019.

**Second:** Alternate Director Nicolls

**Action:** Motion approved 3 – 0

**Ayes:** Director Hill and Alternate Director Nicolls and Acting Chair White

**Noes:** None

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

Technical Consultant Rick Sweet gave the Technical Consultants and Plant Operations Report, highlighting the Cherry Avenue Sewer Bridge Project, Redundancy Project, Primary Digester, met with the Executive Committee, and the Audit. He also spoke about future agenda items for Board discussion, one being options for filling the District Administrator position and also the investigation of Chairman Shoals that had been brought up by Ms. Tacker.

Board comments and questions followed.

Director Hill requested that the Board agendaize and request that a full vetting and discussion of the options that the Technical Consultant could present for filling the District Administrator position. Acting Chair White and Alternate Board Member Nicolls agreed.

Director Hill also stated that Chairman Shoals indicated that he had been in negotiation with line employees on three separate occasions and the Board could consider a censure of Chairman Shoals for this action. Acting Chair White and Alternate Board Member Nicolls stated they would not support this item for discussion.

Additional Board comments and questions followed.

Acting Chair White opened the Public Comment period.

Julie Tacker commented about the lab, failed to meet the weekly monitoring, activated sludge and operators that can operate, MBR process, the handling of future agenda items, and references to the investigation of Chairman Shoals.

Mary Lucey spoke about moving forward with the plant, stop the investigations, and the one focus is the plant.

Colleen Kubel commented about assumptions, move forward, Mayor Hill wants to agendize to discuss the issue with Chairman Shoals and the meetings that he had.

Shirley Gibson stated she does not support putting the item on the agenda.

Acting Chair White closed the Public Comment period.

Director Hill then provided the questions that were raised by the speakers. Technical Consultant Sweet provided responses.

Board comments followed.

**7. BOARD MEMBER COMMUNICATIONS**

None.

**8. CLOSED SESSION**

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

Acting Chair White opened the Public Comment period.

Julie Tacker stated the District would not have a union if it weren't for the former District Administrator.

Acting Chair White closed the Public Comment period.

The Board adjourned to closed session at 7:45 p.m. to consider the following item:

- 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

Discussed, no reportable action.

The Board reconvened the meeting at 7:55 p.m.

**9. ADJOURN MEETING**

The meeting was adjourned at 7:56 p.m.

***THESE MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT THE MEETING OF NOVEMBER 01, 2017.***