



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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Action Summary Minutes of the Regular Meeting of Wednesday, December 06, 2017

1. CALL TO ORDER AND ROLL CALL

Chairman John 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
Karen White, Director, Oceano Community Services District

District Staff: Paul J. Karp, Technical Consultant
Gilbert Trujillo, District Legal Counsel
Amy Simpson, District Bookkeeper/Secretary

2. PLEDGE OF ALLEGIANCE

Director Hill led the Pledge of Allegiance.

3. AGENDA REVIEW

Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

Chairman Shoals opened the Public Comment period.

Sabrina Spears spoke about recent actions regarding retiree annuitant medical coverage.

Aaron Allen spoke about retired annuitant medical coverage.

Brad Snook, Chair of Surfrider SLO, spoke about brine discharge.

Julie Tacker is pleased that the Jenkins material is now on the website and that there is an agenda item for a comprehensive accounting review. She would like an investigation into Chairman Shoals for his activity of meddling in personnel matters.

Coleen Kubel spoke about the rate increase and asked if the money is supposed to be for Redundancy and is being reserved for Redundancy.

Patricia Price believes it necessary to investigate Chairman Shoals. She asked about the Redundancy money and if it can be separated out in a designated fund.

Shirley Gibson is not in favor of investigating Chairman Shoals or expanding the size of the board.

Giselle Naylor spoke about delinquent charges on her property tax bill and gave notice to the board that she has asked for a breakdown of her monthly payments.

Chairman Shoals closed the Public Comment period.

5. CONSENT AGENDA:

5A. Approval of Warrants

5B. Approval of Minutes of Meeting of November 15, 2017

Chairman Shoals opened the Public Comment period.

Julie Tacker requested more detail be provided in the minutes.

Shirley Gibson asked that the Hubner discussion be put to rest.

Patricia Price stated that Hubner left a mess and resents paying him anything.

Patty Welsh would like to see the District move forward.

Chairman Shoals closed the Public Comment period.

Motion: Director White made a motion to approve the Consent Agenda with the Revised Warrant Register.

Second: Director Hill

Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. FISCAL YEAR 2016/17 FINANCIAL REVIEW

Technical Consultant Karp presented the Staff Report.

Chairman Shoals opened the Public Comment period.

Julie Tacker objects to the \$40,000 over budget paid to legal. She commented on the Redundancy project and asked where the \$4 million over original projection came from.

Ron Holt is concerned about legal fees and account 19-8032 Vehicle Maintenance expenses.

Kris Victorine spoke about legal expenses far exceeding the amount spent on training and equipment maintenance accounts. She asked for an accounting of

the Redundancy funds and would recommend providing a five year revenue and expense plan showing funds are available for the Redundancy project.

Chairman Shoals closed the Public Comment period.

Technical Consultant Karp stated the Redundancy project was less expensive at the time the financial plan was developed. The financial plan was authorized by the Board to be updated at the last meeting. The rate increase is performing as anticipated, and the amount of brine discharge is similar to past years. He also stated there has been a considerable amount of deferred maintenance due to a flux of staff off work and there is a plan to keep maintenance on schedule.

Director Hill recommended the money raised for Redundancy be put in a separate account. He was pleased with the increase in brine revenue and sensitive to testing. He stated the unconscionable legal fees are not from counsel, but from external counsel. He hopes that the Redundancy money has not been squandered on unnecessary legal fees.

Chairman Shoals stated revenues and expenses remain in line as projected. The increase in legal fees are higher than anticipated and he would like to see better accounting of Redundancy funds. He also stated that the rate increase had other items in it and that it was not all for redundancy.

Action: The Board received and filed this report.

6B. RECRUITMENT OF DISTRICT ADMINISTRATOR; CONTRACT APPROVAL; AND PROVIDE INPUT TO RECRUITER

Pam Derby, representative from CPS HR Consulting provided an overview of the company's background and stated there would be no charge for professional fees, only reimbursable expenses. She recommended raising the salary rate to possibly attract better ideal candidates and to leave the recruitment open until filled. She also provided a time line starting with advertising as soon as the coming week. First review of resumes would be January 19, 2018. Next step would be the screening interviews of candidates that meet minimum required qualifications and then provide the Board with a candidates report. She will attempt to have someone in place by the first to middle of March 2018. This will take a good pool of candidates for this timeframe to happen.

Director Hill emphasized prior wastewater treatment experience and a facilitative management style should be included in the qualifications.

Director White had concerns about the brochure and would like the community description in the brochure more focused on member agencies and the pictures identified.

Ms. Derby spoke about hiring an interim administrator and suggested California Special District Association (CSDA) as a good pool to pull from.

Chairman Shoals asked how the community could be involved in the process.

Ms. Derby stated the District can do an anonymous online survey where the public can provide feedback on qualities of an ideal candidate. Also, there could be a panel that would speak to the candidates in the first round of interviews and provide feedback to the Board.

Chairman Shoals opened the Public Comment period.

Julie Tacker would like a part-time administrator compliant with the Brown Act and California Public Records Act. She asked that the Board not increase the salary, to interview all candidates, and not provide moving expenses.

Ron Holt suggested applicants should be given the history of the SSLOCSD because the rate payers have a fear of mismanagement.

Shirley Gibson believes the negative press of a community trying to get back money from previous administrator will deter ideal candidates.

Patricia Price believes an engaged public is a benefit.

Giselle Naylor asked if the consultant had identified associations or specialized groups that specialize in sanitation.

Ron Arnoldsen stated that the Board overlooked past managers such as Chuck Ellison and John Clemons.

Coleen Kubel hopes that candidates meet the required skill set.

Sabrina Spears believes if the Board doesn't stay true to promises and commitments, why would an ideal candidate want to come here.

Director Hill asked the consultant's opinion on the ability to hire a part-time administrator.

Ms. Derby stated that they would be looking at annuitants and they would only be available to work 960 hours in a calendar year.

Chairman Shoals closed the Public Comment period.

Technical Consultant Karp stated that the Technical Consultants recommend a full-time administrator and that the annuitant option is very complex and not predictable.

Motion: Director White made a motion to approve a contract with CPS HR Consulting.

Second: Director Hill

Action: Approved unanimously.

6C. CONSIDERATION OF COST OF LIVING ADJUSTMENTS AND BENEFITS FOR NON-REPRESENTED EMPLOYEES

Technical Consultant Karp presented the Staff Report.

There was no public comment on this item.

Motion: Director White made a motion to approve Resolution No. 2017-381 granting Cost of Living Adjustments (COLA) and Modifications to Benefits for Non-Represented Full-time Employees.

Second: Director Hill

Action: Approved unanimously.

6D. CONSIDERATION OF DISTRICT CONTRIBUTIONS FOR RETIRED ANNUITANTS ENROLLED IN CALPERS HEALTH BENEFITS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT (PEMHCA)

Technical Consultant Karp presented the Staff Report. He stated the goal was to keep constant the current level to which the Board has contributed to the retired annuitants.

Chairman Shoals opened the Public Comment period.

Aaron Allen stated this was the first interaction with the District.

Sabrina Spears was not notified by the District that contributions will be taken out of her January payment. She stated retirees should have been left where they were at.

Julie Tacker recommended the Board reconsider what was done in the earlier resolution.

Chairman Shoals closed the Public Comment period.

Board discussion followed and an apology was made to the annuitants for lack of communication. They also provided assurance that the resolution before them tonight will be abided by as long as the current Board remains.

Legal Counsel stated a letter was prepared and may not have gone out to annuitants. This item has been thoroughly vetted to go forward with the least amount of complications. Postponing will not change the staff recommendation. Future benefits can change unless there is a contract.

Sabrina Spears stated that moving forward, the benefit should be made clear that it can be rescinded.

Giselle Naylor asked for a definition of annuitants and handed Ms. Simpson a written request for accounting of service charges at Oceano property.

Motion: Director White made a motion to approve Resolution No. 2017-382 approving District Contributions for Retired Annuitants Enrolled in CalPERS Health Benefits under the

Public Employees' Medical and Hospital Care Act (PEMHCA).

Second: Director Hill; he requested the Board at a subsequent meeting rethink how this applies to retired annuitants.

Action: Approved unanimously.

6E. CONSIDERATION OF APPROVAL OF PERSONNEL POLICY MANUAL

Technical Consultant Karp presented the Staff Report.

The Board had a discussion and agreed that the manual should be brought back two chapters at a time.

Director White found it very draconian, but appreciated the fact that there is a set of rules that binds everybody.

Director Hill recommended using District Organization instead of Chain of Command, starting the policy with objectives, and changing the tone to a more positive one. He cannot and will not support this item.

Chairman Shoals opened the Public Comment period.

Coleen Kubel stated the purpose of a policy is to define each and every little tidbit of an organization and how employees act. She suggested forming a committee to go over the manual and provide input.

Ron Arnoldsen suggested reviewing personnel manuals from similar agencies.

Julie Tacker recommended going through two chapters at a time. She spoke to the Nepotism Policy being too strict. She also spoke to Compensation and does not agree that the Chair of the Board should make the decision to hire at Step D or higher. She does not agree that the Grievance Policy should have so many references to the Chair.

Giselle Naylor stated that the Nepotism Policy is important to have.

Kris Victorine spoke to Section 4090 Military Leave and urged the District to support military duty and provide paid military leave for at least 15 days for annual training. She also urged the Board to comply with the Uniformed Services Employment and Reemployment Act. She spoke to Section 5010 Grievance Procedure and questioned the effectiveness of the Grievance Procedure.

Chairman Shoals closed the Public Comment period.

Motion: Director Hill made a motion to bring the Personnel Policy Manual back two chapters at a time during a meeting in January.

Second: Director White

Action: Approved unanimously.

6F. TECHNICAL CONSULTANTS AND PLANT OPERATIONS REPORT

Technical Consultant Karp presented the Staff Report.

Chairman Shoals opened the Public Comment period.

Julie Tacker commented on odor complaints, and harassment and ethics training.

Chairman Shoals closed the Public Comment period.

Action: The Board received and filed the report.

7. MISCELLANEOUS ITEMS

7A. Written Communications

- Correspondence received from SDRMA

Director Hill commended the staff for receiving the letter from SDRMA.

Chairman Shoals opened the Public Comment period.

Patricia Price asked what type of insurance it is and if it was used to pay out the recent settlements.

Julie Tacker gave kudos to staff. She is curious if recent settlements could be turned over to insurance.

Chairman Shoals closed the Public Comment period.

8. BOARD MEMBER COMMUNICATIONS

Director White apologized for being late to the meeting.

9. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: (one case)

Legal counsel stated that this was a place holder in case the District received information. Closed Session was removed from the agenda.

10. ADJOURN MEETING

The meeting was adjourned at 8:41 p.m.

THESE MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT THE MEETING OF JANUARY 03, 2018.