



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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SUMMARY ACTION MINUTES Regular Meeting of Wednesday, December 05, 2018

1. CALL TO ORDER AND ROLL CALL

Chair Austin called the meeting to order and recognized a quorum.

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

District Staff: Jeremy Ghent, District Administrator
Gil Trujillo, District Legal Counsel
Amy Simpson, District Bookkeeper/Secretary

2. PLEDGE OF ALLEGIANCE

Chair Austin led the Pledge of Allegiance.

3. AGENDA REVIEW

Motion: Director Nicolls motioned to approve the Agenda as presented.

Second: Director Hill

Action: Approved unanimously by voice vote.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

Chair Austin opened the Public Comment period.

Julie Tacker thanked Director Hill for his service to the District. She commented on rescinding the censure of Director Hill; requested a censure of former Chairman John Shoals; correction to the record of former Director Mary Lucey and consideration of civil action against former Administrator John Wallace.

Brad Snook, Chair, Surfrider Foundation of San Luis Obispo, commented on a letter from Surf Rider Foundation written to California Regional Water Quality Control Board – Central Coast Region; Subject: Draft Order No. R3-2019-0002 SSLOCSD Reissuance of Waste Discharge Requirements. A copy of the letter will be maintained with the permanent Minutes of the meeting and available upon request.

Patricia Price thanked Director Hill for his years of service and read a list of the great qualities Director Hill has brought to the District.

Coleen Kubel thanked Director Hill for his service on the Board and said that no one will be able to fill his shoes on this Board.

Kris Victorine thanked Director Hill for his professionalism and urged the Board to address the merit of pursuing civil action against former Administrator John Wallace; and changing the the first sentence of Item 4 on the Agenda.

Ron Arnoldsen thanked Director Hill for his service to the District and asked the Board to pursue civil action against John Wallace.

Chair Austin closed the Public Comment period.

5. CONSENT AGENDA:

5A. Approval of Warrants

5B. Approval of Meeting Minutes of November 07, 2018

5C. Notice of District Board Meeting Rotation

5D. Request to Purchase a Replacement Vehicle (SUV)

Director Nicolls pulled item 5C. for discussion.

Chair Austin opened the Public Comment period.

Julie Tacker commented on the warrant of Liebert Cassidy and Whitmore.

Alexander Hom, C.P.A. for Moss, Levy & Hartzheim, said the warrant was for a letter requested from MLH and prepared by LCW providing information about the audited year.

Chair Austin closed the Public Comment period.

Motion: Director Hill motioned to approve the 5A, 5B, and 5D as presented.

Second: Director Nicolls

Action: Approved unanimously by voice vote. Vote carries 3-0

5C. Notice of District Board Meeting Rotation

Director Nicolls asked if it would make more sense to have a four-month meeting location rotation.

Administrator Ghent suggested that this change begin with the next Fiscal Year.

Chair Austin opened the Public Comment period.

Julie Tacker suggested Oceano hold the summer meetings.

Motion: Director Nicolls moved to have the next six months of meetings at Arroyo Grande and discuss changing to a four-month rotation to keep rotation in line with the Fiscal Year.

Second: Director Hill

Action: Approved unanimously by voice vote. Vote carries 3-0

6. ACTION ITEMS:

6A. PRESENTATION AND APPROVAL OF FISCAL YEAR ENDING 2017 FINANCIAL AUDIT (LATE)

Alexander Hom from Moss, Levy & Hartzheim (MLH) presented the audit. He said that for the Fiscal year 2016/2017 audit MLH gave the District an unmodified clean opinion with one major finding. Connection fees were used for the Grit Removal System and connection fee money is restricted to expansion of capacity. He said that staff was great to work with and asked if there were any questions about the audit.

Director Hill questioned moving the grit removal and said that it would impact future expansion.

Mr. Hom said grit removal would have to be direct expansion to use connection money.

Director Hill asked about Note 12 Prior Period Adjustment of \$85,000.

Mr. Hom explained Net Pension Liability. He said the previous year number reported did not match any numbers he could find. An adjustment was made in FY 16/17 audit to correct the number from prior audit.

Chair Austin asked about the increase of revenues.

Mr. Hom believes the increases are primarily a result of grant revenue and the rate increase.

Director Hill pointed out that this is the audit for Fiscal Year 2017 and asked when the next audit would begin.

Mr. Hom said he hopes to begin in January 2019. He did mention that there will be a change in accounting practices due to unfunded liability reporting.

Chair Austin opened the Public Comment period.

Julie Tacker commented the rate increase money in regard to the Redundancy Project and Note 12 Prior Period Adjustment.

Mr. Hom responded to Ms. Tacker and said the prior period adjustment was for inflows and outflows. It is part of Net Pension and has no direct effect on cash. It is not anything in terms of employees, cash, receivables, and payables. This is the Districts portion of what CalPERS is doing and must be reported.

Chair Austin closed the Public Comment period.

Action: The Board received and filed the report.

6B. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

District Administrator Ghent thanked Director Hill for his service to the District. He then presented the Administrators Report and said he expects to receive the 90% plan submittal for the Redundancy Project on December 21st; the rental centrifuge was returned which will result in a \$16,000-month savings; the PPM will be presented next meeting by Alicia Lara. He intends to start a social media page to be used to share accomplishments at the District with the community. He said the closing period for public comment on the NPDES permit was November 30. The public hearing will be either January 31st or February 1st; Mayor Elect Caren Ray toured the plant. He then presented the Plant Operations Report and said the numbers at the plant are stellar right now and thanked the operators for getting that dialed in.

The Board thanked the Administrator and the Operators for the excellent plant numbers.

Chair Austin opened the Public Comment period.

Julie Tacker commented on the NPDES permit; the Coastal Monitoring Report and the Inflow and Infiltration Study.

Ron Arnoldsen welcomed Mr. Ghent again.

Patricia Price asked about comments on the Facebook page.

Administrator Ghent said there will be the ability to send messages directly to staff, but other users will not be able to see the public comments.

Chair Austin closed the Public Comment period.

Action: The Board received and filed the report.

6C. APPLICATION FOR DISTRICT CREDIT CARD ACCOUNT

Administrator Ghent presented this item. He said this item is for an application to replace the District credit card. Currently the District credit card is through Bank of the West and that was a program through the California Special District Association (CSDA). Many agencies participate in this program because of the benefits and perks that come with the card. Back in 2014 the Board acted to join that program that was Bank of the West. This year Bank of the West has pulled out of the program and CSDA has renegotiated with Umpqua Bank with the same benefits.

There was no public comment on this item.

Motion: Director Hill motioned to approve Resolution No. 2018-399 authorizing the District to enter into an agreement with Umpqua Bank to establish District credit card accounts; and authorize the District Administrator to negotiate and execute any necessary agreements approved as to legal form.

Second: Director Nicolls

Action: Approved unanimously by voice vote. Vote carries 3-0

7. MISCELLANEOUS ITEMS

Administrator Ghent presented a Letter of support for County of San Luis Obispo Flood Control and Water Conservation District's Proposition 68 grant proposal for the Arroyo Grande Creek Lagoon and Meadow Creek Lagoon Habitat Restoration and Improvement Project. He said a letter has been drafted and presented to the Board and public tonight. Mr. Ghent believes it to be a worthwhile project that will ultimately be part of a larger project resulting in reduced flooding risk at the District site.

There was no public comment on this item.

8. BOARD MEMBER COMMUNICATIONS

Director Hill said it has been his honor and pleasure to serve on the District Board the last four years and thanked the members of the public for the kind comments. He said that the Board did get a few items accomplished. In terms of the Knudson Investigation that went to the District Attorney with further investigation of Mr. Wallace and criminal charges were brought, he hopes the District will pursue restitution. There were issues that not only had a direct financial impact but an indirect impact in terms of delay to the Redundancy Project. The Redundancy Project may end up costing double what it would have cost if it was started when originally recommended. He thanked the members of the public for their participation. He thanked Administrator Ghent for bringing the District back to even footing after a turbulent history. He thanked the staff at the District for doing a great job at the plant. He takes pride in his involvement at the District. He said the rate increase was primarily to cover the Redundancy Project and hopes that we can account for that and use the money for Redundancy and ultimately recycling water. He wishes the District well in the future.

Chair Austin and Director Nicolls thanked Director Hill for his service on the Board and wished him well into the future.

Director Nicolls said she has been receiving positive comments on the change in the tempo of District meetings and thanked everyone who comes to the meetings and participates.

9. CLOSED SESSION:

(A) **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**

Initiation of litigation pursuant to subdivision (d)(4) of Section 54956.9:
(two cases).

Legal Counsel Trujillo announced Closed Session.

Chair Austin opened the Public Comment period.

Julie Tacker asked the Board to seek restitution from former Administrator John Wallace and commented on the Coastal Hazard Monitoring Plan.

Ron Arnoldsen commented on former Administrator John Wallace and the Boards fiduciary duty to seek restitution for the mistakes he made.

Chair Austin closed the Public Comment period.

The Board went into Closed Session at 6:58 p.m.

Legal Counsel Trujillo announced there was no reportable action.

10. ADJOURN MEETING

The meeting was adjourned at 7:08 p.m.

***THESE MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT THE
MEETING OF DECEMBER 19, 2018.***