



# **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.org](http://www.sslocsd.org)

## **AGENDA**

### **BOARD OF DIRECTORS MEETING**

City of Arroyo Grande, City Council Chambers

215 East Branch Street

Arroyo Grande, California 93420

**Wednesday, December 17, 2014 at 6:00 P.M.**

#### **Board Members**

Matthew Guerrero, Chair

Jim Hill, Director

John Shoals, Director

#### **Agencies**

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

#### **Alternate Board Members**

Mary Lucey, Director

Jim Guthrie, Director

Unknown, 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. 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.
- It may be the desire of the Board 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 General Manager or Bookkeeper/Secretary at (805) 481-6903.

**3. 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.

**3A. Review and Approval of the Minutes of the November 19, 2014 Meeting**

**3B. Review and Approval of the Minutes of the December 03, 2014 Meeting**

**3C. Review and Approval of Warrants**

**3D. Financial Review October**

**3E. Financial Review November**

**4. PLANT SUPERINTENDENT'S REPORT**

**5. BOARD ACTION ON INDIVIDUAL ITEMS:**

**5A. Cell Phone Policy**

**6. MISCELLANEOUS ITEMS**

**A. Miscellaneous Oral Communications**

**B. Miscellaneous Written Communications**

**1. Email from Brad Snook**

**2. Email for Patty Welsh**

**3. Email from Trinity Neo**

**7. PUBLIC COMMENT ON CLOSED SESSION**

**8. CLOSED SESSION**

Conference with Legal Counsel – Existing Litigation; Pursuant to  
Government Code Section 54956.9; 1 Case

A. SSLOCSD v California State Water Resources Control Board et.al.  
SLOCSC # 14 CV 0596

**9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION**

**10. ADJOURNMENT**

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

Oceano Community Services District

1655 Front Street

Oceano, California 93445

Minutes of the Meeting of Wednesday November 19, 2014

6:00 P.M.

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

Present: Chair Matthew Guerrero, Oceano Community Services District; Director Debbie Peterson, City of Grover Beach

District Staff in Attendance: Mike Seitz, District Counsel; Rick Sweet, District Manager; Amy Simpson, District Bookkeeper/Secretary

**2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

Director Guerrero opened the public comment period.

Sharon Brown Grover Beach read a letter regarding the District filing a Writ involving the State Water Board. It is attached to the end of the minutes.

Carol Henson of Oceano, wanted to voice the sentiments of Sharon Brown as well. She wants to know how countersuing the Water Board will benefit the rate payers of the Sanitation District. She believes that the cost of litigation will out cost the benefits to the rate payers. She wants the Board to go back and give this item some more consideration.

Julie Tacker wants to encourage the Board to get out of the litigation business “unless we are going after John Wallace”. She would like the District to use Seitz to file the Writ, he can dust off the original material and get the Water Board to the table to negotiate the settlement. Ms. Tacker would like to see Melissa Thorne on contingency. She points out that the District is still vulnerable to flooding. The county has not fixed the existing issues that cause flooding.

Brad Snook of Arroyo Grande, spoke about the critical transparency of the Board of Directors to getting the citizens engaged. He wants to decrease the amount of discharge and get the people to trust what the Sanitation District does.

Ron Holt Arroyo Grande, was wondering where there is a source of information to know about what is going on at the Sanitation District.

John Carter Oceano, was also surprised to see the District was going to countersue. He pointed out how positive the District has been over the last year balancing the budget and replacing old equipment. He would like to see the State Water Board fine negotiated to put some of the money back into the plant.

Patricia Price spoke to how well the plant is operating and how quickly it was turned around. She pointed out that even though she attends meetings regularly, she knew nothing about the law suit. She encouraged everyone to start coming to the meetings to hear about the exciting stuff going on

at the District. She is a big advocate of ponds to bring the wildlife.

Director Peterson read a letter from Jim Hill. He wants the public to urge that the litigation against the RWQCB to be placed on the next agenda. This letter is attached to these minutes.

Director Guerrero closed the public comment period.

### **3. CONSENT AGENDA**

#### **3A. Review and Approval of the Minutes of the November 05, 2014 meeting**

**Action:** It was moved to approve the Consent Agenda Item 3A unanimously by Director Guerrero as presented.

Director Peterson wanted to know if we could amend the agenda and make the litigation decision an emergent item on the agenda tonight. Seitz added that there are two qualifications needed to qualify for an emergent agenda item: 1. The action to have taken place after the posting of the agenda. 2. There is a need to take immediate action in regards to the item. This item did not meet the qualifications.

Director Peterson moved that it be put in closed session on the agenda for December 3, 2014.

#### **3B. Review and Approval of Warrants**

Director Peterson questioned the legal fees.

**Action:** Item 3B was approved with 2 warrants; Adamski, Moroski and Madden, and Shipsey and Seitz being pulled.

Director Peterson abstained from signing the warrants requests for legal fees and the Warrant Register.

### **4. PLANT SUPERINTENDENT'S REPORT**

Mr. Sweet let the public know that the District has done a lot to replace old pumps and other various equipment and the District Operators are confident that the plant is in great shape for the winter season.

Director Peterson asked for information regarding redundancy. Mr. Sweet responded that the District is working with engineers about plans that will fulfill redundancy.

**Action:** The Board received and filed the Plant Superintendent's report.

### **5. MISCELLANEOUS COMMUNICATIONS**

The District has received a correspondence from the Ferguson Group LLC. via Caren Ray; District Four Supervisor, regarding possible grant opportunities.

Director Peterson thanked Glenn Marshall for being her representative on the SSLOCSD Board. She commended staff for turning around the District so fast. She is concerned about the amount of money spent in law suits. She believes every penny that goes into

this plant should be used for redundancy and recycled water.

Director Guerrero thanked Director Peterson for her contributions to the District.

**6. Public Comment on Closed Session**

Ms. Tacker commended District Manager Sweet for getting the budget balanced. She also thanked Director Peterson for her service to the Board. She believes that Oceano should not be participating in the recycled water plant.

**7. CLOSED SESSION**

- A. (1) Closed Session pursuant to Government code section 54957:  
PUBLIC EMPLOYEE PERFORMANCE EVALUATION:  
Annual Evaluation of District General Manager Rick Sweet

There was no reportable action from closed session.

**8. ADJOURNMENT**

There being no further business to come before the Board, Director Guerrero adjourned the meeting at approximately 7:15 p.m.

***THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.***

11/19/2014

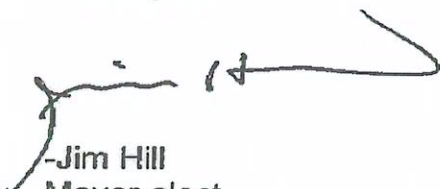
Honorable Members of the SSLOCSD Board:

I understand that during public comment, members of this Board are not allowed to make statements regarding the comments made by the public, other than to ask questions for clarification.

What you are allowed to do in response to a public comment is ask for an item to be placed on the next meeting agenda, or, in extraordinary or emergent circumstances, to determine that an item should be added to this agenda as an emergency, and act on it now.

Accordingly, I personally urge you to immediately cease and desist from the pending litigation against the RWQCB which will incur unaffordable legal cost to residents of this District and has not only no chance of success, but the real possibility of incurring an even higher fine. This litigation was originally proposed for the purpose of protecting the record of the former District Administrator, Mr. Wallace, whom the Regional Board has already determined to be directly responsible for the 2010 sewage spill here. This pending litigation, if allowed to continue, will have such adverse effect on this District and its residents that I believe it does rise to the level of an emergency – that is, an emergent issue that needs to be dealt with now. On behalf of all District residents, I urge your Board to add this item to this agenda as emergent and then take action to stop the pending litigation immediately.

Thank you!

A handwritten signature in black ink, appearing to read "Jim Hill", with a long horizontal stroke extending to the right.

-Jim Hill  
Mayor-elect,  
City of Arroyo Grande



My name is Sharon Brown. I am a resident of Grover Beach. During the committee reports agenda item of the Grover Beach City Council on Monday, November 17, 2014, a report was given regarding the activities of the South SLO County Sanitation District. It was during this report that information surfaced that a decision had been made to file a Writ involving the State of California – in layman's terms – taking the State to Superior Court. This was the only information which was revealed, since the decision had been made in closed session at the board's November 5, 2014 meeting, and therefore apparently not subject to public input or scrutiny. On learning this information, many of us were stunned. We have many questions, which are unanswered. Certainly you agree that the public has the right to know the policies, practices, and expenditure of public funds of any public agency, including this one.

Being a member of the public, and in the interest of the public's right to know, I am respectfully asking the following questions. I hope that these questions can be answered now and in this forum.

- 1) Who suggested this action and when? How was it placed on the agenda to meet the criteria of the Brown Act?
- 2) What reasons did the board use in making this decision? How many closed sessions were devoted to this decision? If only one, please estimate time spent.
- 3) Was it necessary to file this action to meet a deadline?
- 4) Who is the Attorney of Record? How was she or he chosen?
- 5) What is the estimated cost of litigation? How will this cost be met?
- 6) To date, how much has been spent on legal fees for filing previous appeals on this issue? When this amount is combined with estimate of the current filing, how does it compare with the amount of the assessed fine? If the amount exceeds the fine, should this be considered malfeasance?
- 7) Has the Writ actually been filed and by whom?
- 8) If it has been filed, has it been docketed?
- 9) How is it handled within the court system? Who will be hearing the case? When should a decision be expected?
- 10) What does the board foresee as the optimum positive outcome? The negative outcome?
- 11) How will the board proceed if the outcome of this litigation is negative?

Thank you for your consideration for me and for the public's right to know.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

City of Arroyo Grande, City Council Chambers  
215 East Branch Street  
Arroyo Grande, California 93420

Minutes of the Meeting of Wednesday December 03, 2014  
6:00 P.M.

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

Present: Chair Matthew Guerrero, Oceano Community Services District; Director John Shoals, City of Grover Beach; Director Jim Hill, City of Arroyo Grande

District Staff in Attendance: Mike Seitz, District Counsel; Rick Sweet, District Manager; John Clemons, District Superintendent; Amy Simpson, District Bookkeeper/Secretary

**2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

Director Guerrero opened the public comment period.

Jeff Edwards opened public comment by asking the Board to look at new sites to move the District too.

Mark London would like the Board to consider a forensic audit to look back to the year 2010.

Patricia Price asks the Board to give instruction the Board to give instruction to WSC to incorporate site planning into the current study for a Satellite Plant.

Julie Tacker wants to know where Bartle & Wells is with the Rate Study and would like to know the scope of work for the study.

Director Jim Hill wants the consideration of a forensic audit on the next agenda.

Director Guerrero responded that at the last consideration for a forensic audit, the Board did not see a forensic audit as a good use of money. The Board would want to have a specific item or incident that would give rise to or an incident of fraud that would show criminal activity to justify the cost of a forensic audit.

Director Hill would like the audit to be used as a learning tool the mistakes of the past do not happen in the future.

Director Shoals would also like to see it on a future agenda to get a full understanding of how things were done. Staff was directed to put a forensic audit discussion on the 1<sup>st</sup> meeting in January.

Director Guerrero closed the public comment period.

**3. CONSENT AGENDA**

**3A. Review and Approval of the Minutes of the November 05, 2014 meeting**



**Action:** Director Guerrero proposed a continuance of Consent Agenda Item 3A.

**3B. Review and Approval of Warrants**

**Action:** Item 3B was approved unanimously.

**4. PLANT SUPERINTENDENT'S REPORT**

Director Jim Hill asked Superintendent Clemons if he had any concerns with redundancy.

Superintendent Clemons reported that he did in fact have concerns. He let the public know that safety is his #1 goal. His biggest concern is the trickling filter. There needs to be a backup system in place in case the trickling filter should ever fail. Not to have a backup plan at the trickling filter is a major concern of his.

District Manager Richard Sweet added that "Redundancy is our mantra". He let the public know that there are ongoing discussions regarding District options to accomplish redundancy. There are many aspects to consider and a cost that very high. Redundancy is a very high priority.

**Action:** The Board received and filed the Plant Superintendent's report.

**5. MISCELLANEOUS COMMUNICATIONS**

The Board received a flyer on the SDRMA conference.

**6. BOARD ACTION ON INDIVIDUAL ITEMS:**

A. CALPERS EXCEPTION TO THE 180-DAY WAIT PERIOD. The District Board consider a resolution for the CalPERS exception to the 180-day wait period pursuant to Government Code sections 7522.56 and 21224.

B. Amendment to District Manager's Contract to Reduce Hourly Rate and Increase Hours.

Legal Counsel Seitz announced that District Manager Rick Sweet had done the work himself for his exception. This is commendable because it protects the District from giving advice in regards to retirement.

Julie Tacker spoke and wanted to be the first to say, "The District is getting a *Sweet* deal."

Jeff Edwards spoke on item 5B reiterating that the District should not spend money on Redundancy or Recycled Water until they have focused on site location.

**Action:** Director Hill moved to approve Calpers exception. Director Guerrero seconded with one amendment to the Resolution. Change "City Council" to Board of Directors". Items 5A and 5B were approved unanimously.

**7. Public Comment on Closed Session**

Jeff Edwards pointed out that the closed session item was incorrect. It should have read SSLOCSD vs. RWQCB and the venue is San Luis Obispo Superior Court. He believes it is a regurgitation of the prior case information. He would like the legal team on a contingency or fixed rate. Let Seitz do the work. Real source of the problem is storm water runoff from the airport. He believes the county should pay for the legal fees.

Julie Tacker believes the writ sounds awfully familiar. It is very whiney. She feels it is important to look at whose water it was that flooded the facility.

Brad Snook would like the Board to view the video and read the minutes before deciding to support the writ and further litigation. His questions are; is it necessary? Will it accomplish the public health goal? Can the money be used to protect the environment? He is appreciative of the Boards pursuit of a fiscal audit.

Debbie Peterson pleaded for not continuing to throw good money after what is likely to be a losing cause.

Patty Welsh is sick of fines to the rate payers to cover past litigation.

Mary Lucy strongly encouraged the Board to use an outside unbiased source to evaluate the pluses and minuses of fighting the lawsuit to find the best interest of the public.

Paavo Ogren spoke on the Brown Act and the importance of the public's need to trust the Board.

Patria Price thinks the forensic audit would be a good idea to get a feel of "was there a conflict of interest?"

Sharon Brown wants the most bang for the buck. She would like the Board to consider the legal fees and what the fines would be. Combine all these and decide if we are costing ourselves more money. Let's mitigate.

**8. CLOSED SESSION**

Hill requested to postpone closed session until the next meeting based on Jeff Edwards comment of the miss posting of closed session item.

Seitz agreed.

Guerrero let the public know that he Board will respond to public questions on the website. SSLOCSD.org.

Action: It was approved unanimously to continue closed session item at the December 17<sup>th</sup> meeting.

**9. ADJOURNMENT**

There being no further business to come before the Board, Director Guerrero adjourned the meeting at approximately 7:06 p.m.

***THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE***

***BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.***

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
WARRANT REGISTER  
12/17/2014 FY 2014/15

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST ANALYTICAL INC.	CHEMICAL ANALYSIS	2379	121714-9067	7078	440.00	440.00
ADAMSKI MOROSKI MADDEN	LEGAL SERVICES	NOVEMBER	68	7070	11.00	11.00
ALLSTAR INDUSTRIAL SUPPLY	MISC SUPPLIES	1271, 1273	69	8030	800.33	800.33
ARAMARK	UNIFORMS	12/05/14, 12/12/14	70	7025	431.08	431.08
AT&T	TELEPHONE	NOVEMBER	71	7013	251.20	251.20
AUTOSYS, INC.	SCADA	727, 731	72	20-8015	1,595.00	1,595.00
BATTERIES PLUS	MISC SUPPLIES	464-291717	73	8030	9.68	9.68
CALIFORNIA ELECTRIC SUPPLY	MISC SUPPLIES	59033, 589676, 589807, 590123	74	8055	496.24	496.24
CARRS	EMPLOYEE UNIFORMS	JACKSON, ARIAS	75	7025	250.00	250.00
CENTRAL COAST WTR TRT	LAB WATER	24128	76	8040	60.00	60.00
CWEA	MEMBERSHIP	LEWIS	77	7050	168.00	168.00
D'ANGELOS	MAINTENANCE	S246911	78	8030	367.65	367.65
ENGEL & GRAY, INC.	BIOSOLIDS HANDLING	90464	79	7085	2,707.94	2,707.94
FERGUSON ENTERPRISES, INC.	EQUIPMENT MAINTENANCE	1329118	80	8030	161.20	161.20
FLUID RESOURCE MANAGEMENT	TRUNK SEWER MAINTENANCE	W11918	81	20-8015	1,120.00	1,120.00
GARING TAYLOR & ASSOCIATES	DISTRICT ENGINEERING	12863, 12864, 12865, 12866	82	7077	1,713.75	1,713.75
HARDY DIAGNOSTICS	LAB SUPPLYS	1429271-0	83	8040	65.47	65.47
JB DEWAR INC	VEHICLE FUEL AND OIL	74416	84	8020	106.90	106.90
JUSTIFACTS	EMPLOYMENT BACKGROUND CHECK	222828	85	8035	63.25	63.25
MATTHEW GUERRERO	BOARD SERVICE	REISSUE FEBRUARY STALE WARRANT	86	7075	100.00	100.00
MARC LEWIS	UNIFORMS REIMBURSEMENT	FY 14/15	87	7025	108.27	108.27
MCMMASTER CARR	TOOLS	17990867	88	8055	254.56	254.56
MINERS	HOUSEHOLD	11/30/14	89	8035	170.43	170.43
MOSS, LEVY & HARTZHEIM LLP	DISTRICT AUDITING	3949	90	7072	3,000.00	3,000.00
NESTLE PURE LIFE	HOUSEHOLD	14K0012917373	91	8035	150.88	150.88
PERRY'S ELECTRIC MOTORS	MINOR REPLACEMENT	17492	92	8030	6,744.80	6,744.80
RICHARD SWEET	DISTRICT MANAGER	JUNE TO DECEMBER	93	7075	24,700.00	24,700.00
SCELZI ENTERPRISES, INC.	AUTOMOTIVE	SIDE RACKS	94	8032	1,320.44	1,320.44
SCHINDLER LAW GROUP	LEGAL SERVICES	NOVEMBER	95	7070	86.00	86.00
SHIPSEY & SEITZ, INC.	LEGAL SERVICES	OCTOBER	96	7070	13,771.60	14,917.10
SHIPSEY & SEITZ, INC.	ATTORNEY FEE	OCTOBER		7071	1,145.50	
SUPERIOR QUALITY COPIERS, INC	OFFICE EQUIPMENT	39267	97	7015	915.00	915.00
THE TRIBUNE	ADVERTISING	346268	98	7005	113.00	113.00
USA BLUEBOOK	LAB SUPPLYS	515023	99	8040	52.11	52.11
VWR	LAB SUPPLYS	805749548, 8059714087	9100	8040	448.43	448.43
SUB TOTAL					\$ 63,899.71	63,899.71
SO. SLO CO. SANITATION DISTRICT	PAYROLL REIMBURSEMENT	11/28/14	01	1016	\$ 23,049.94	23,049.94
GRAND TOTAL					\$ 86,949.65	\$ 86,949.65

We hereby certify that the demands numbered serially from 121714-9067 to 121714-9101 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



# 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

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## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT MONTHLY CASH REPORT

	<b>Cash Balance at 09/30/14</b>	<b>\$ 4,847,162.48</b>
	Deposits	277,162.95
	Warrant Register 10/01/14	(34,299.91)
	Warrant Register 10/15/14	(109,111.51)
	Payroll PPE 10/03/14	(22,358.33)
	Payroll PPE 10/17/14	(23,534.05)
	Rabobank- PERS medical/retirement	(20,755.97)
	Rabobank October Activity	(648.72)
	<b>Total October Activity</b>	<b>66,454.46</b>
	<b>Cash Balance at 10/31/14</b>	<b>4,913,616.94</b>
	<b>Cash by Institution</b>	<b>CASH BALANCE</b>
		<b>@ 10/31/14</b>
	Cash with County Treasury	\$ 2,440,696.90
	Cash with LAIF	2,407,743.01
	Cash with Rabobank	65,177.03
		<b>\$ 4,913,616.94</b>
		difference





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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT					
FINANCIAL SUMMARY AS OF OCTOBER 31, 2014					<i>UNAUDITED</i>
FISCAL YEAR 2014-2015					
	FUND 19 OPERATING	FUND 20 EXPANSION	FUND 26 REPLACEMENT	TOTAL DISTRICT-WIDE	
<b>REVENUES - YTD</b>					
<b>OPERATING</b>	\$ 999,861.08	\$ -	\$ -	\$ 999,861.08	
<b>NON-OPERATING</b>					
Connection Fees	-	64,343.00	-	64,343.00	
Pismo Reimbursements	-		-		
Brine Disposal	44,962.00		-	44,962.00	
Lease (At&t)	8,588.45		-	8,588.45	
Interest	1,665.37	2,792.60	-	4,457.97	
WDR Reimbursement	-		-		
FOG Reimbursement	4,624.23		-	4,624.23	
Other Sales	4,826.39				
Transfers	(150,440.00)	(160,500.00)	310,940.00	-	
<b>TOTAL NON-OPERATING</b>	(85,773.56)	(93,364.40)	310,940.00	126,975.65	
<b>TOTAL REVENUES</b>	<b>914,087.52</b>	<b>(93,364.40)</b>	<b>310,940.00</b>	<b>1,131,663.12</b>	
<b>EXPENSES - YTD</b>					
YEAR TO DATE EXPENSES	641,225.78	17,274.96	117,003.44	775,504.18	
PRIOR YEAR EXPENSE					
COGEN DEBT PAYMENTS			-	-	
<b>TOTAL EXPENSES</b>	<b>641,225.78</b>	<b>17,274.96</b>	<b>117,003.44</b>	<b>775,504.18</b>	
<b>NET INCOME (LOSS) - YTD</b>	<b>\$ 272,861.74</b>	<b>\$ (110,639.36)</b>	<b>\$ 193,936.56</b>	<b>\$ 356,158.94</b>	
<b>NEW CONNECTIONS</b>					
			<b>FY 2014/2015 NUMBER</b>	<b>FY 2014/2015 REVENUE</b>	
Arroyo Grande			17.00	\$ 64,343.00	
Grover Beach					
Oceano			-	-	
<b>TOTAL NEW DISTRICT CONNECTIONS</b>			<b>17.00</b>	<b>\$ 64,343.00</b>	



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## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT MONTHLY CASH REPORT

	<b>Cash Balance at 10/31/14</b>	<b>\$ 4,913,616.94</b>
	Deposits	191,880.97
	Warrant Register 11/05/14	(50,582.83)
	Warrant Register 11/19/14	(114,718.77)
	Legal Fees	13,853.86
	Payroll PPE 10/31/14	(24,174.61)
	Payroll PPE 11/14/14	(21,079.49)
	Rabobank- PERS medical/retirement	(6,627.12)
	Rabobank November Activity	(661.97)
	<b>Total September Activity</b>	<b>(12,109.96)</b>
	<b>Cash Balance at 11/30/14</b>	<b>4,901,506.98</b>
	<b>Cash by Institution</b>	<b>CASH BALANCE</b>
		<b>@ 11/30/14</b>
	Cash with County Treasury	\$ 2,412,665.11
	Cash with LAIF	2,407,743.01
	Cash with Rabobank	81,098.86
		<b>\$ 4,901,506.98</b>



# 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.org](http://www.sslocsd.org)

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT					
FINANCIAL SUMMARY AS OF NOVEMBER 30, 2014					UNAUDITED
FISCAL YEAR 2014-2015					
	FUND 19 OPERATING	FUND 20 EXPANSION	FUND 26 REPLACEMENT	TOTAL DISTRICT-WIDE	
<b>REVENUES - YTD</b>					
<b>OPERATING</b>	\$ 1,353,717.88	\$ -	\$ -	\$ 1,353,717.88	
<b>NON-OPERATING</b>					
Connection Fees	-	69,293.00	-	69,293.00	
Pismo Reimbursements	-	-	-	-	
Brine Disposal	58,516.00	-	-	58,516.00	
Lease (At&t)	10,761.43	-	-	10,761.43	
Interest	1,665.37	2,792.60	-	4,457.97	
WDR Reimbursement	-	-	-	-	
FOG Reimbursement	4,624.23	-	-	4,624.23	
Other Sales	4,826.39	-	-	4,826.39	
Transfers	(150,440.00)	(160,500.00)	310,940.00	-	
<b>TOTAL NON-OPERATING</b>	(70,046.58)	(88,414.40)	310,940.00	152,479.02	
<b>TOTAL REVENUES</b>	<b>1,283,671.30</b>	<b>(88,414.40)</b>	<b>310,940.00</b>	<b>1,506,196.90</b>	
<b>EXPENSES - YTD</b>					
YEAR TO DATE EXPENSES	856,899.06	20,834.80	191,697.65	1,069,431.51	
COGEN DEBT PAYMENTS	-	-	-	-	
<b>TOTAL EXPENSES</b>	<b>856,899.06</b>	<b>20,834.80</b>	<b>191,697.65</b>	<b>1,069,431.51</b>	
<b>NET INCOME (LOSS) - YTD</b>	<b>\$ 426,772.24</b>	<b>\$ (109,249.20)</b>	<b>\$ 119,242.35</b>	<b>\$ 436,765.39</b>	
<b>NEW CONNECTIONS</b>					
			<b>FY 2014/2015 NUMBER</b>	<b>FY 2014/2015 REVENUE</b>	
Arroyo Grande			17.00	\$ 64,343.00	
Grover Beach			2.00	4,950.00	
Oceano			-	-	
<b>TOTAL NEW DISTRICT CONNECTIONS</b>			<b>19.00</b>	<b>\$ 69,293.00</b>	



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Subject: **Superintendent's Report**

December 11, 2014

Chart 1 – **Plant Data**

December* 2014	INF Flow MGD	Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	BOD REM Eff. %
Average	2.29	3.7	438	28.7	411	36.1	285	175	93.43
High	2.41	4.4	468	29.6	414	38.2	1700	188	
Limit	5.0			40/60/90		40/60/90	2000		80
1 <sup>st</sup> Half CY 2014									
Average	2.37	3.8	390.7	27.9	404	33.5	66	151	92.85
High	3.24	4.8	540	34.1	560	46.5	1600	500	

- \* = Plant data through December 11th.

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

Effluent BOD and TSS values have been a little higher than usual thus far in December. That is partially due to slightly higher influent values. We believe it is also due in part to our maintenance activities. We have removed a clarifier from service. We also experienced inconsistent plant flows due to the failure of the Hydro Ranger Unit. We expect our influent BOD values to level out as this month proceeds.

## Maintenance

- Removed and replaced tank level floats in influent wet well.
- Removed and replaced forklift backrest.
- Disconnected wiring in Sec. Clarifier Scum box.
- Troubleshoot, removed, and replaced Hydro Ranger Control box. The controller transmit level readings to the influent pump Variable Frequency Drives.
- Changed out 100 amp circuit breaker on influent pump #1.
- Exercised all Plant water valves.
- Installed new 12" aluminum discharge piping on 10 MGD emergency pump.
- Removed #2 primary clarifier from service. Drained and rinsed.

- Cleaned and rinsed Parshall flume side reservoir due to erratic influent readings.
- Troubleshoot 960 chemical controller probe wash system.
- Trouble shot water champ (flash mixer) failure.
- Treated primary pit # 1 corrosion.
- Unclogged Primary #1 scum hopper and de-ragged primary #1 sludge pump.

**Call outs**

- 12/2/14 – Wet well low – Hydro ranger erroneous reading.
- 12/10/14 – Water champ failure.

**Safety**

- New staff received Safety Orientation on 12/1/14.
- Staff attended a safety meeting on the Material safety Data Sheets.
- Issued new Target Safety assignment to all staff.

**Miscellaneous**

- Notified K. DiSimone of Regional Water Quality Control Board intention to remove primary clarifier from service.
- Notified M. Elliot of the Air Pollution Control District of intention to perform maintenance on the flare.
- Employed Ca. Department of Forestry to clear brush around AG sewer bridge. They also cleared the fence line around the plant. Five feet of clearance.
- Staff attended a training session on Sewer System Overflow response.
- Staff attended a Plant familiarization session for the solids handling process at the Plant.
- Staff met with SLO County workers regarding usage of the leased sludge bed.
- Staff member M. Arias rode with Nola E. of SLO Co. Engineering Dept. to inspect levies and flap gates in our area.

Best regards,

John Clemons  
Superintendent





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### **Staff Report**

To: Board of Directors  
From: Richard Sweet, PE, District Manager  
Date: December 17, 2014

Subject: **ADOPTION OF DISTRICT CELL AND HANDHELD DEVICE POLICY**

#### **RECOMMENDATION:**

That the Board of Directors adopts the proposed District Cell and Handheld Device Policy, Attachment "A".

#### **BACKGROUND**

On August 12, 2014, the California Court of Appeal, Second Appellate District, ruled in Cochran v. Schwan's Home Service Inc., that employers are required to reimburse employees for all business related calls made or received on an employee's personal cell phone. The court stated:

"We hold that when employees must use their personal cell phones for work-related calls, Labor Code section 2802 requires the employer to reimburse them. Whether the employees have cell phone plans with unlimited minutes or limited minutes, the reimbursement owed is a reasonable percentage of their cell phone bills."

The District does not have an up to date cell phone policy. The District continually has personnel on call that utilize cell phones to respond to District needs. The District has District owned cell phones that can be utilized by on call personnel.

#### **DISCUSSION:**

To assist in developing the cell phone policy the District utilized the District's contract with Lara Personnel Services to assist in defining options and developing a draft policy. Issues addressed are use of cell phones in the workplace, use of cameras in the workplace, and Internet access in the workplace. Regarding the use of cell phones by on call employees in response to District business, two options were presented to the staff:

1. The District would provide a stipend towards an employees cell phone plan.
2. The use of the District's cell phone would be required when using a cell phone for District business.

The majority of the staff chose option two. The proposed policy implements option two.

#### Options

1. Adopt the proposed cell phone policy as presented.
2. Provide direction to staff and request that revisions be made to the proposed policy for presentation to the Board at a subsequent meeting.

Richard G. Sweet, PE  
District Manager

Attachment "A": Draft SSLOCSD Cell and Handheld Device Policy

## **I. PURPOSE**

This policy establishes procedures for the use of cell phones, and other cellular/wireless devices, and is applicable to all District employees. This policy is intended to provide uniform and consistent standards of application and use of communications devices, including but not limited to: land-line telephones, cellular telephones, PDA's, tablets, pagers, and other portable/mobile devices. References herein to phones may include any electronic portable device.

Because the technology industry is an ever-changing field, this policy may cover portable/mobile communications devices that are developed after the adoption of this policy.

For additional procedures with regard to electronic device use, please reference the District Personnel Policy Manual.

## **II. POLICY**

The District seeks to operate using efficient and safe methods. Therefore as defined herein, use of personal cellular/wireless devices is considered "attending to personal business", to be limited during work hours; and District issued cellular/wireless devices shall be utilized for business purposes. Further, any use of said devices, while conducting District business shall be in a safe, appropriate, and legal manner. In addition, except for emergencies or with prior supervisory approval as stated herein, any personal business conducted on paid time, is limited to breaks and meal periods.

Drivers shall comply with all federal, state, and local laws and regulations regarding the use of mobile technology devices including cell phones.

## **III. RESPONSIBILITIES**

### **A. Individual Employees**

All employees are responsible to:

- Abide by the provisions of this policy, including attention to safety.
- Review any perceived discrepancy or provision of this policy with a supervisor to ensure clarity of the intent.
- Thoroughly read the policy, and request supervisory direction, should questions arise, to affect a clear understanding of this policy.
- Bring forth issues (with regard to this policy), in a timely manner, to the attention of management staff.
- Cooperate in any investigation of alleged policy violations, including not destroying evidence.
- Understand they will be held accountable with regard to frequency or length of personal use of devices covered by this policy.
- Understand they may incur personal tax liability for personal use of a District device, under Internal Revenue Service (IRS) regulations.

- Personal cell phone use, even when permitted **when representing the District**, **must never include language that is obscene, discriminatory, offensive, prejudicial or defamatory in any way (such as jokes, slurs and/or inappropriate remarks regarding a person's race, ethnicity, sex, sexual orientation, religion, color, age or disability).**
- Not use cameras or other recording features on the device, unless expressly authorized and requested to by a supervisor, so as to protect the privacy rights of other employees and the District.

## **B. Management/Supervisory Responsibilities**

In addition to responsibilities as an individual employee, Management and Supervisory employees are to communicate the provisions of this policy to subordinate staff. As with any policy, management and supervisory staff are held to a higher standard; therefore, serve as role models for proper compliance with the provisions herein. Managers and supervisors are required to:

- Be conversant with the provisions of this policy.
- Ensure employees are aware of the provisions herein.
- Provide a copy of this policy and updates to all employees.
- Provide training through review and expectations of said policy to all new staff upon hire, and current employees on a periodic basis.
- Maintain employee signature form of acknowledgment of this policy.
- Review monthly District device charges to monitor inappropriate, excessive or irregular use.
- Regularly remind employees of their responsibilities in complying with this policy.
- Advise management staff, including the District Administrator with regard to personnel or operational issues relative to this policy.
- Be responsive and take immediate documented steps to address policy violations, appropriate to the facts.
- Cooperate with any investigation with regard to policy violations and preserve evidence to the extent possible.

## **IV. SAFETY**

The use of personal devices, including cell phones is expressly prohibited while driving on District time. Therefore, employees must pull off to a reasonably safe location, and stop as soon as it is safe to do so, to place or accept phone calls.

Texting while driving or operating machinery is prohibited.

Employees are to be proactive in using safety precautions relative to use of cellular phones or other devices.

## **V. DISTRICT ISSUED DEVICES**

Where job or business needs demand immediate access to an employee, the District may issue a District-owned and serviced cell phone to an employee for work-related communications.

District issued cellular phones and/or wireless devices shall remain the sole property of the District and shall be subject to inspection and/or monitoring (including related records including text messages) at any time. Employees in possession of City equipment such as cellular phones are expected to protect the equipment from loss, damage, or theft. Upon resignation or termination of employment, or at any time upon request, the employee may be asked to produce the phone for return or inspection.

#### **A. Procedures**

The District will maintain a minimum of two (2) cellular devices for staff use, when the assignment requires or may require the need to communicate electronically in carrying out duties.

1. Non-Exempt Staff – Employees assigned to Standby Duty, or traveling in the field shall “check-out” a District issued device, prior to using it. When the assignment or fieldwork is completed, the device is to be immediately returned, by “checking-in” the device. Checkout and check-in shall be documented on a form provided by the District.
2. Exempt Management Staff – In conducting District business, an exempt employee may choose to either be issued a District-provided cellular device; or use their own personal device and be reimbursed a reasonable percentage of the monthly cost, which may be subject to IRS regulations. Said employee shall complete an acknowledgment form, documenting which option is selected.

#### **B. Usage**

In order to avoid incurring a tax liability for the personal use of equipment, such equipment should be used for business reasons.

All employees understand that while some de minimis personal use is inevitable, a District provided phone is intended for business calls only. **Employees are not authorized to conduct personal business on District time, and shall limit phone calls to breaks or lunch periods.** Call summary reports (i.e. number of minutes used) are distributed to supervisors on a periodic basis and are to be reviewed for reasonableness. **Employees will reimburse the District for any overage charges related to personal use**, including but not limited to, charges for long distance and/or roaming charges, overage charges, multimedia charges, and charges for directory assistance. The call detail records generated from assigned cell phones are considered records of the District and may, on occasion, be subject to internal and outside audits by the District and/or official agencies.

Text messaging capabilities will not be included with District issued devices, unless expressly authorized by the District Administrator, based case-by-case on business necessity.

Users are not authorized to access any website using their District issued cellular/wireless device that would be a violation of the District's Computer Systems, Email, and Internet Use Policy.

**Use of cells phones may create an overtime liability to the District, therefore, use is only by advance Supervisory approval.**



## VI. PERSONAL DEVICES

The District will not be liable for the loss or damage of personal mobile devices brought into the workplace. Personal use of any mobile device, unless authorized (e.g., on Standby) is considered personal time.

Excessive personal use of cellular/wireless devices during the workday, regardless of the phone or device used, can interfere with employee productivity and be distracting to others. During paid work time, employees are expected to exercise the same discretion in using personal cellular/wireless devices as is expected for the use of any District telephone or computer.

### A. Telephone Calls/Text Messaging

1. Employees must turn off ringers or change ringers to "mute/vibrate" **on personal electronic devices**, to avoid disruption in the workplace.
2. A reasonable standard the District encourages is to limit personal calls and/or text messaging during work time to an average of no more than two or three short-duration calls/exchanges per day when needed. Employees are to conduct personal business, during breaks and meal periods and to ensure that friends and family members are aware of the District's policy.
3. Cellular phones may not be used at any work site where the operation of the phone is or may be a distraction or otherwise unsafe to the public or other employees.
4. When a situation exists that requires the employee to be available to outside callers, the employee is responsible for timely notification to their supervisor, to seek temporary authorization with regard to accepting limited outside calls during productive time.

### B. Prohibited Activities

In order to ensure a productive workday, the following use of a personal cellular/wireless device are prohibited during working hours:

1. *Unless otherwise authorized, the use of cameras on cell phones during work time is prohibited to protect the privacy of the employer as well as of fellow employees;*
2. Accessing the internet for non-work related purposes;
3. Playing games;
4. Watching movies, television, sports, etc.;
5. Any activity that violates District policy, including accessing and/or distributing pornographic or harassing material.
6. Cellular telephones may not be used to defame, harass, intimidate, or threaten any other person.
7. Employees are prohibited from using cell phones in any illegal, illicit or offensive manner.

## VII. PRIVACY

As with use of any communications device issued by the District, employees understand there is **no expectation or right of privacy**.

The District has the right to review all records related to District issued cellular and/or wireless devices.

Users should further be aware that in conducting District business, all records may be subject to discovery under the Public Records Act.

### **VIII. EMPLOYEE REIMBURSEMENT**

The District will not be liable for the loss of personal cell phones brought into the workplace. Unless otherwise stated herein, employees are not authorized to use personal cell phones, or other devices in place of District provided equipment.

Employees may be reimbursed \$.45 per phone call, when the work-related use is necessary in carrying out work duties, and there is no other option for the communication.

Exempt employees choosing to use their personal device, rather than a District issued device, shall be reimbursed a reasonable percentage of the basic monthly cost, commensurate with frequency of use. The District may request proof of use (e.g., review of monthly phone bill) to determine a reasonable percentage.

### **IX. POLICY VIOLATIONS**

Employees who are charged with traffic violations resulting from the use of a cellular phone while driving on duty may be subject to disciplinary action and personal liability resulting from such traffic violations and are responsible for paying the cost of the citation.

Policy violations shall be addressed with corrective measures appropriate to the situation; including but not limited to policy re-review, training; loss of privileges, and/or as applicable, disciplinary action up to and including termination of employment.

## **MISCELLANEOUS WRITTEN COMMUNICATIONS**

**B1.** Have the full transcripts of the Water Board hearing been made available to the present Board of Directors? Were the full transcripts made available to the full Board of Directors (including alternates) in reviewing evidence and in making the decision to bring the present lawsuit against the State Water Board? What are the issues raised by the State or through public testimony during the hearing which remain unanswered and undocumented by the District, according to the present Board of Directors? According to the present Board of Directors, what is the best way to address those unanswered concerns?

Brad Snook

**B2.** I am asking for a full audit of the San dist, because I do not think anyone is fully aware of why or how the district got into the mess they did.

If you don't know how you got there, how in God's name are you going to keep from going there again? Was it financial malfeasance, was it operational mistake, was it the major conflict of interest with John Wallace, or something else?

As a resident who is now having my water rates increase and having to cover a fine for something I had no control over, I am not happy at all. I don't trust what I am being told and the fact the district has refused to do an audit even after the grand jury findings is WRONG.

Why does John Wallace not have to pay any fines? maybe through an audit he will be held financially responsible for some of this.

I don't trust Matt Guerrero as he is one of the ones who has voted against the audit, as did Tony Ferrera. It seems Debbie Peterson and Jim Hill are the only people who want to get to the bottom of this mess, but I am hoping John Shoals will get of board and vote for an audit. Mary Lucey has made it fairly clear she is not going to vote for an audit.

I know there are a lot of angry people out there and it is just a shame they don't get listened to. Do the right thing and figure out what caused the problem so it won't happen again, hopefully. You can't correct what you don't know is wrong.

Patty Welsh  
AG resident

**B3. Dear Board Members,**

In response to your most recent invitation to present questions to your Board, we've polled members of our group and would like to offer you the following questions:

1. What is the status of the District's current N.P.D.E.S permit and how can a Master Plan be developed without taking into consideration what impacts permit compliance might have in regards to future treatment capacity?
2. Will the Board commit to actively pursuing recovery of funds issued to John Wallace/The Wallace Group for sub-par, mismanaged, and double charged billings that were incurred during his dual role of District Administrator / District Engineer as well as recovery of any and all legal fees and fines incurred as a result of negligence and mismanagement as defined by the R.W.Q.C.B. A.C.L.?

Trinity Neo