



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

BOARD OF DIRECTORS MEETING

City of Arroyo Grande, City Council Chambers

215 East Branch Street

Arroyo Grande, California 93420

Wednesday, August 19, 2015 at 6:00 P.M.

Board Members

Jim Hill, Chair

John Shoals, Vice Chair

Matthew Guerrero, Director

Agencies

City of Arroyo Grande

City of Grover Beach

Oceano Community Services District

Alternate Board Members

Mary Lucey, Director

Tim Brown, Director

Barbara Nicolls, Director

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

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 District 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 Minutes of July 15, 2015

3B. Review and Approval of Warrants

4. PLANT SUPERINTENDENT'S REPORT

5. BOARD ACTION ON INDIVIDUAL ITEMS:

5A. Review and Approve the Continuing Emergency Action to Repair the Influent Pipeline

Staff recommends that the Board review and approve continuing emergency action, in conformance with Public Contracts Code Section 22050, to repair the influent pipeline and make the following findings:

- 1. That the emergency action will not permit a delay resulting from a competitive solicitation for bids, and**
- 2. That the action is necessary to respond to the emergency.**

5B. Status Report and Request for Additional Resources by Carl Knudsen Associates for Review of Past Management Practices

Recommendation that the Board receive a status report and consider a request from Carl Knudsen Associates for "Review of Past Management Practices"

5C. Options for District Billing

Recommendation to review and provide direction to staff. Preparation of the staff report is underway and it is estimated that the staff report will be available on the District's website the evening of Monday, August 17, 2015.

5D. Consideration of Preparation of RFP for District Manager's Position

Staff recommends that the Board (1) discuss the District's approach to filling the General Manager position, (2) direct staff to prepare an RFP for immediate release, (3) identify potential interim General Managers, and (4) take whatever other appropriate actions necessary to ensure that the General Manager position is timely filled. This item was continued from the Special Meeting of August 13, 2015.

5E. Consideration of Revisions to Vacation Policy

Recommendation to revise vacation policy to increase vacation accrual limit from 180 hours to 240 hours and align existing employees' vacation time with accrual limits.

6. MISCELLANEOUS ITEMS

- 6A. Miscellaneous Oral Communications**
- 6B. Miscellaneous Written Communications**

(1) 2016 CSDA Committee & Expert Feedback Team Participation

7. PUBLIC COMMENT ON CLOSED SESSION

8. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Conference with legal counsel regarding existing litigation pursuant to paragraph (1) of subdivision (d) of section 54956.9 of the Government Code (two cases).

South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) Case Number 34-2012-80001209-CU-WM-GDS)

South San Luis Obispo County Sanitation District v. Special District Risk Management Authority (County of San Luis Obispo Superior Court) Case Number CV130473

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Conference with legal counsel regarding anticipated litigation pursuant to paragraph (2) of subdivision (d) of section 54956.9 (one case).

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

10. ADJOURNMENT

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 July 15, 2015
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Director Tim Brown, City of Arroyo Grande; Vice-Chair John Shoals, City of Grover Beach; Director Mary Lucey, Oceano Community Services District

District Staff in Attendance: Richard Sweet, District Manager; Jena Shoaf, Interim District Counsel; John Clemons, Plant Superintendent; Amy Simpson, District Bookkeeper/Secretary.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Director Shoals opened the public comment period.

This is the first televised meeting of the SSLOCSD.

Julie Tacker and Jeff Edwards had Brown Act concerns regarding an incorrect date on the agenda posted to the website that was corrected. Jeff Edwards would like a full time District Manager.

Patty Welsh disagrees with the legal billing in regards to the charges for Rules of Decorum.

The Board took a five minute break to allow legal to review of Brown Act regarding posting of the agenda.

- **Action:** Section 5.54960.1 of the Brown Act has a substantial compliance safeguard. Action taken in compliance with this govt. code, does safeguard it from being nullified or found void.

3. CONSENT AGENDA

3A. Review and Approval of Minutes of July 01, 2015

- **Action:** Continued to the meeting of August 5, 2015 due to the absence of Director Guerrero and Director Hill.

3B. Review and Approval of Warrants

Director Brown pulled the legal bill of BHFS for a future discussion. He asks that time spent on Rules of Decorum will be removed from the legal bill.

Debbie Peterson would also like to see the breakdown of the legal bill. She made a comment on the minutes of July 1, 2015. She is in favor of decorum and policy. She was not in favor of a policy that can lead the District into litigation because it is in violation of the constitution.

Julie Tacker commented on Rules of Decorum and the OCSD billing. She asks legal to reconsider the legal bill.

Jeff Edwards commented on District Manager. He asks the Board to hold off on paying legal bills.

Patricia Price asks to hold back on paying legal bills.

Patty Price wants to see money spent on Redundancy and not legal fees.

Director Brown made a motion to approve the warrant register with removal of legal fees.

- **Action:** Approval of the warrants withholding legal bills from Shipsey and Seitz and BHFS until billing detail is provided. Passed by unanimous roll call vote.

4. PLANT SUPERINTENDENT'S REPORT

Plant Superintendent Clemons gave a detailed report about the spill that occurred July 03, 2015 at approximately 7pm. He commended staff on how quickly and professionally they responded.

Patty Welsh and Karen Brown commented on the Superintendents report.

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

5. BOARD ACTION ON INDIVIDUAL ITEMS:

- 5A.** Review of Emergency Action, in conformance with Public Contracts Code Section 22050, to Repair Pipeline from Headworks to Primary Clarifier; Recommendation to Approve.

Julie Tacker and Debbie Peterson gave public comment.

Action: Unanimous approval to continue emergency action based on substantial evidence that (1) that the emergency action will not permit a delay resulting from a competitive solicitation for bids, and (2) that the action is necessary to respond to the emergency findings can be made on an emergency basis.

- 5B.** Approval of Short Term Agreement with Oceano Community Services District (OCSD) for billing and collection services

Ron Holt, Julie Tacker, Jeff Edwards, Patty Welsh, and Debbie Peterson all gave public comment.

Legal Counsel requested approximately one more month to gather more options to bring back to the Board. This will be brought back at the August 19th meeting.

The Board chose not to accept the short term agreement with OCSD.

The Board directed staff to discuss options with all agency's to come up with a formula that would be equal to all agencies.

- **Action:** Roll call vote 2-1 to not enter in to short term agreement with OCSD and to continue discussion on member agency billing until August 19, 2015 Board Meeting.

Shoals – Yes

Brown – Yes

Lucey – No

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

No Comments

B. Miscellaneous Written Communications.

No Comments

7. PUBLIC COMMENT ON CLOSED SESSION

Director Shoals asked for public comment.

Jeff Edwards commented on the litigation with the SWRCB. He encourages the Board to change legal counsel retained for the District's litigation matters.

8. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Conference with legal counsel regarding existing litigation pursuant to paragraph (1) of subdivision (d) of section 54956.9 of the Government Code (two cases).

South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) Case Number 34-2012-80001209-CU-WM-GDS)

South San Luis Obispo County Sanitation District v. Special District Risk Management Authority (County of San Luis Obispo Superior Court) Case Number CV130473

- **Action:** The Board heard a report from Interim Legal Counsel and took no reportable action.

9. ADJOURNMENT

There being no further business to come before the Board, Vice-Chair Shoals adjourned the meeting at approximately 8:25p.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
08/19/2015 FY 2015/16

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AGP VIDEO	PROF SERVICES	3/9/1917	0819-9649	7080	900.00	900.00
ALLIED ADMINISTRATORS	DENTAL INSURANCE	SEPTEMBER	50	6025	961.03	961.03
ARAMARK	UNIFORMS	7/31/15 8/7/15 8/14/15	51	7025	757.66	757.66
BRENNTAG PACIFIC, INC.	PLANT CHEMICALS	BPI545614, BPI545613	52	8050	10,194.02	10,194.02
BROWNSTEIN HYATT FARBER SCHRECK	INTERIM COUNSEL	JULY	53	7071	15,087.51	15,087.51
CALPERS	EMPLOYEE HEALTH	ANNUAL UNFUNDED LIABILITY AS OF 6/30	54	6010	2,291.00	2,291.00
CARQUEST AUTO PARTS	AUTOMOTIVE	795532	55	8032	116.58	116.58
CCWT	LAB SUPPLIES	29067, 29233	56	8040	241.50	241.50
CWEA 2015 NRTC	MEMBERSHIPS/TRAININGS/SEMINARS	MUI	57	7050	215.00	215.00
DIGITAL MENTOR	INFO TRUCK	20182	58	26-8065	4,975.00	4,975.00
EPPENDORF	LAB SUPPLIES	4009090862	59	8040	32.00	32.00
FARM SUPPLY COMPANY	EQUIPMENT MAINTENANCE	29278	60	8030	74.69	74.69
FASTENAL	LAB SUPPLIES	1413606, 1413540	61	8056	161.92	161.92
FISHER SCIENTIFIC	LAB SUPPLIES	6791021	62	8040	94.25	94.25
FRM	PROF SERVICES	W13342	63	7079	1,170.00	1,170.00
GARING TAYLOR & ASSOC.	INFLUENT PIPELINE REPLACEMENT	13188	64	20-8015	3,231.25	3,231.25
GRAINGER	HOUSEHOLD	9810642398	65	8035	184.20	184.20
I.I. SUPPLY	EQUIPMENT MAINTENANCE	33265	66	8030	170.41	170.41
JOSLYN HODSON ACCOUNTING	PROF SERVICES	14-33	67	7072	1,235.00	1,235.00
JWC ENVIRONMENTAL	REPLACEMENT	70216	68	26-8065	27,909.15	27,909.15
KNUDSON & ASSOC	PAST MANAGEMENT REVIEW	JULY/AUGUST	69	7090	15,010.66	15,010.66
MINERS	EQUIPMENT MAINTENANCE	JULY	70	8030	546.66	546.66
NESTLE	HOUSEHOLD	15G0012917373	71	8035	169.46	169.46
OCSO	UTILITIES- WATER	5/18 TO 7/18	72	7094	249.83	249.83
OFFICE DEPOT	OFFICE SUPPLIES	JULY	73	8045	240.67	240.67
SHIPSEY & SEITZ, INC.	LEGAL	LEGAL SERVICES	74	7070	80.00	3,878.00
		LITIGATION		7070	3,798.00	
SM TIRE	AUTOMOTIVE	585342	75	8032	94.60	94.60
SNAP ON	TOOLS	06181516874, 0716157703	76	8055	937.14	937.14
SO CAL GAS	UTILITIES- GAS	JULY	77	7092	1,915.91	1,915.91
SOUTH COUNTY SANITARY SVC., INC	UTILITIES-TRASH	AUGUST	78	7093	109.25	109.25
SPRINT	COMMUNICATIONS	JULY	79	7014	140.17	140.17
STANLEY SECURITY	COMMUNICATIONS	SEPTEMBER	80	7011	62.20	62.20
STATE FUND	WORKERS COMP	AUGUST	81	6080	4,754.17	4,754.17
VWR	LAB SUPPLIES	8042025951	82	8040	18.51	18.51
WASTE WATER TECHNOLOGY TRAINER	MEMBERSHIPS/TRAININGS/SEMINARS	ROMHILD	83	7050	50.00	50.00
WINEMA INDUSTRIAL & SAFETY SUPPLY	SAFETY SUPPLIES	106	84	8056	281.19	281.19
SUB TOTAL					\$ 98,460.59	\$ 98,460.59
RABOBANK REIMBURSE	COMMUNICATIONS-WEB HOSTING	JULY	85	7011	176.91	1,335.02
	COMMUNICATIONS-TELEPHONE	JULY		7013	485.87	
	MEMBERSHIPS/TRAININGS/SEMINARS	ROMHILD		7050	208.16	
	PROF SERVICES- COMPUTER SUPPORT	ALLTECH		7082	370.00	
	OFFICE SUPPLIES	JULY		8040	94.08	
SO. SLO CO. SANITATION DISTRICT	PAYROLL REIMBURSEMENT	08.07.15	86		23,807.82	23,807.82
SUB TOTAL					\$ 23,807.82	\$ 23,807.82
GRAND TOTAL					\$ 122,268.41	\$ 122,268.41

We hereby certify that the demands numbered serially from 081915-9649 to 019515-9686 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

Compatibility Report for WR 07-15-15.xls
Run on 7/10/2015 15:24

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Minor loss of fidelity	# of occurrences	Version
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SANITATION DISTRICT
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Staff Report

To: Board of Directors

From: Richard G. Sweet, PE, District Manager

Date: August 19, 2015

Subject: **REVIEW OF EMERGENCY ACTION TO REPAIR INFLUENT PIPELINE**

RECOMMENDATION

That the Board review and approve continuing emergency action, in conformance with Public Contracts Code Section 22050, to repair the influent pipeline and make the following findings:

1. That the emergency action will not permit a delay resulting from a competitive solicitation for bids, and
2. That the action is necessary to respond to the emergency.

BACKGROUND

On June 26, 2015 a leak was discovered in the influent pipeline (pipeline from headworks to primary clarifier). The pipeline was evaluated by a specialist and it was determined that years of use had caused the pipeline to be so fragile that replacement is recommended. The pipeline has been bypassed utilizing a temporary piping and lift system.

At the July 1, 2015 Board meeting the Board unanimously declared an emergency in conformance with Public Contracts Code Section 22050 and authorized the District to expend up to \$340,000 to repair or replace the influent pipeline. A copy of the July 1, 2015 staff report is attached.

On July 15, 2015, the Board made the necessary findings and approved the continuing emergency action.

Due to the pipeline failure two significant operational issues have arisen.

1. The plant experienced a Total Suspended Solids (TSS) weekly average slightly in excess of the permit. The weekly average for the first week in July was 61.4 mg/l and the permitted weekly average is 60 mg/l.
2. On July 3rd a failure in the pipeline bypass system created a situation where approximately 2,000 total gallons of sewage spilled out of several manholes in Oceano. A subsequent improvement to the bypass pumping system significantly reduces the possibility of this failure reoccurring.

These two issues clearly illustrate the critical need to aggressively pursue replacement of the pipeline.

Replacement pipe has been delivered to the plant. The cost of the replacement pipe was approximately \$15,000. Valves and fittings have been delivered. The cost of the valves and fittings are approximately \$100,000. The bypass pipe rental and installation is \$30,000 to date with an anticipated monthly rental value of \$15,000. An additional bypass line has been installed to handle periods of high flow. It appears that the \$340,000 approved by the Board for repair of the influent line will be sufficient.

DISCUSSION

Public Works Contract Code Section 22050 (a)(1) states:

“In the case of an emergency, a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related immediate action required by that emergency, procure necessary equipment, services, and supplies for those purposes, without giving notice to bids to let contracts.”

While the District prefers to retain public works services utilizing the public works bidding procedures, the preparation of biddable plans and specifications, and following the public works bidding process would add approximately four to six months to the process the District is undertaking to replace the influent pipe. Given the clear evidence, it is imperative that the replacement of the influent pipe proceed with the greatest possible haste.

Public Works Contract Code Section 22050 (c) (1) states:

“If the governing body orders any action specified in subdivision (a), the governing body shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is need to continue the action. If the governing body meets weekly, it may review the emergency action in accordance with this paragraph every 14 days.”

Given the code requirement above and the continuing emergency at the plant requiring the replacement of the influent pipeline, the Board is required to review and approve the emergency action. In conformance with this code section, this item will appear on each Board agenda until replacement of the pipeline is completed.

Options

1. Decline to continue to review and approve the emergency action to replace the influent pipeline. This will cause repair of the pipe to be delayed four to six months and threaten continued compliant plant operations.

Richard G. Sweet, PE
District Manager



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Staff Report

To: Board of Directors

From: Richard G. Sweet, PE, District Manager

Date: August 19, 2015

**Subject: STATUS REPORT AND REQUEST FOR ADDITIONAL RESOURCES BY
KNUDSEN AND ASSOCIATES FOR REVIEW OF PAST MANAGEMENT
PRACTICES**

RECOMMENDATION

That the Board receives a status report and approve a request for additional resources from Knudsen and Associates for Review of Past Management Practices.

BACKGROUND

At the February 18, 2015 Board meeting the Board approved issuance of a Request for Proposals (RFP) for "Review of Past Management Practices" that would accomplish the following for the period from 2004 to February 2013.

Financial

- Line item evaluation of expenditures
- Compare expenditures to that of similar agencies, identify anomalies or unusual expenditures
- Review of agency audits; identify irregularities and how/if addressed
- Identify any malfeasance
- Identify practices that are not consistent with best management practices

Operation

- Evaluate past practices associated with plant operations
- Evaluate contracts for engineering, purchasing and capital projects to ascertain whether they are consistent with standard practices

The RFP required that the Board approve a work plan that describes how the

successful proposer will evaluate the District's past management practices. The second item of work was the preparation of a report that summarizes the results of the information developed from implementation of the work plan. The final report will require approval of the Board.

At the Board meeting of March 6, 2015 the Board selected nine members of the public to constitute a Proposal Review Committee (Committee). The charge of the Committee was to recommend a preferred proposer to the Board.

On April 13, 2015, the District received two proposals. The proposers were Knudson and Associates of Thousand Oaks, California and Perc Water Corporation of Costa Mesa, California.

The Committee held two meetings. Both meetings were publicly noticed. Staff reports, copies of the proposals, agendas and minutes were posted on the District's website for public review.

At the May 6, 2015 Board meeting the Committee made a presentation to the Board in which the Committee Chair recommended that Knudsen and Associates be selected to prepare the report. Subsequently at the same Board meeting, the Board directed staff to enter into a contract with Knudsen and Associates.

At the June 17, 2015 Board meeting, the Board received and approved the work plan provided by Knudson and Associates, Attachment "A."

At the Board meeting of August 5, 2015 the Board requested a status report of the progress of the Review of Past Management Practice.

DISCUSSION

During the week of August 10, 2015, the District began a discussion with Mr. Knudsen regarding the need for a status report. Mr. Knudsen indicates that he requires additional hours in excess of those in his proposal to accomplish important activities. Mr. Knudsen indicates that significant progress has been made which includes:

- Review of accounting and business records
- Interviews of over twenty individuals
- Examined fifty six boxes of plant records provided by the Wallace Group
- Reviewed and examined vendor files

Activities that Mr. Knudsen would like to accomplish with an additional allocation of hours are:

- Interviews with John Wallace and Wallace Group employees
- Interview with Mike Seitz
- Review of Regional Water Quality Control Board reports and investigative findings
- Review of reports and findings prepared by Shannon Sweeney

Mr. Knudsen is requesting an additional allocation of 150 hours for an increase in the cost of the study of \$22,500. This would raise the cost of the study from the original estimate of \$55,000 to \$77,500. A letter from Carl Knudson, which provides a status report and a request for additional resources, is Attachment "B."

Fiscal Consideration

While this is an unexpected increase, if authorized by the Board, there are funds available to increase the budget for this item.

Richard G. Sweet, PE
District Manager

Attachment: Attachment "A" Approved Work Plan
Attachment "B" Letter from Carl Knudson

KNUDSON & ASSOCIATES

WORK PLAN

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Review of Management Practices

Richard Sweet, PE, District Manager

South San Luis Obispo County Sanitation District

1600 Aloha Place

Oceano, CA 93475

JUNE 9, 2015

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1. Based upon the information provided in the RFP and based upon our background research, we have designed a work plan that will cover the areas set forth in the RFP. Further, we will work with Amy Simpson, Rick Sweet and John Clemons at the district office in order to; access the accounting records, access the historical business records retained at the district office and access the audit reports stored at the district office. We expect that once we begin our work, we will identify additional areas to review that were not obvious during the RFP process. This is not an uncommon occurrence because of the nature of complex financial organizations with a history of dating back to 2004.

2. Our work plan is divided into **three phases**; the First Phase will be a fact finding process to evaluate the extensive business and accounting records of the district for the period 2004 to February 2013.

PHASE ONE

3. We understand that there are 56 boxes of records received from Mr. Wallace soon after his departure in 2013. We will review those 56 boxes of records at the District office for content and completeness, and we will isolate certain files for further review. The review of the records covering the period 2004 to 2013 will be time consuming, but a necessary step in order to identify potential problems in the record keeping process. The most obvious documents that we will seek will be contracts between the District and their major service providers and the major vendors providing goods or services to the District.

a. We will obtain and analyze the prior **audited financial statements** for the period 2004 to 2013. We will develop a tracking program to isolate anomalies and trends in the previous auditor's financial statements, which will form the basis for further inquiries into payouts to identified vendors/recipients of District funds and supported by the documents contained in the 57 boxes of records provided by Mr. Wallace.

b. Working with Amy Simpson we will review the **electronic QuickBooks accounting records** and perform certain analysis to identify anomalies and areas of concern. This could be a time-consuming process because of the volume of records and the fact that our work will cover nine years of records (2004 to 2013). We have been advised that the accounting records for the period 2004 to 2008 were not in electronic form, but in the form of **handwritten ledgers**, which will require us to manually review each year and isolate certain line items for inclusion into the overall evaluation of the accounting system covering the 2004 to 2013 period.

c. We understand that Amy Simpson started her work at the district in 2014 and is the person most knowledgeable about the QuickBooks accounting system.

d. There may be additional records that we will want to analyze but are not yet known to us at this time, but will become apparent during our review of the known records available at the District. We might ask the District to request records from parties who might have possession of District records covering the period 2004 to 2013, which have not been turned over to the District.

e. We will review prior minutes of the Board which relate to contracts or invoices that have been considered for approval and identified by our review for further investigation. We will review prior investigative reports and work performed by the District Attorney's Office related to the Wallace Group.

f. We will review any other investigative work performed by prior District Board Members or local city activists that might be available.

4. In summary, our goals in Phase One will be to examine the internal "Controls" used by Mr. Wallace to insure that all expenses were properly recorded and that materials purchased were actually received by the district. We will examine the "Approval" process for payments and contracts to determine whether district guidelines were followed with respect to bidding on projects and/or the approval of expenditures.

5. We will look for "Weaknesses" in the bookkeeping/accounting system related to expenditures, record keeping and expenses paid by the district. We will do some "Testing" of expenditure items that are high in dollar value. We will review the previous practice of using capital expenditure funds (LAIF) for general operating expenses. And finally, we will look for conflicts of interest between vendors and district officials and whether personal benefits were received by Mr. Wallace or his employees.

PHASE TWO

6. The Second Phase of the project will include investigating the areas identified in Phase One, and will include the interview of current/former employees of the district, and board members, current and former.

a. We will locate and interview past employees and coordinate our interviews with their schedules. In particular, we will attempt to interview past District employees, the past District manager, and the personnel that worked for the Wallace Group on District matters.

Knudson & Associates - 2015 SSLOCSD Proposal

b. We will talk with prior accountants/bookkeepers who were involved in the processing of invoices and the record keeping process at the District during the period 2004 to 2013

c. We will work with the District to obtain the names and contact information for the prior employees of the District. Our strategy will be to contact all out of area interviews by telephone to determine availability for an interview. If out of area interviews are required, we will consult with the District on how best to achieve that goal without incurring significant travel expenses.

d. Knudson & Associates has the ability to track down out of area people through commercial data base searches.

7. In Phase Two we will also focus our efforts on the "Operation" review of the District and attempt to validate a sampling of contracts and any related supporting documents that will document past practices associated with the awarding of contracts and whether the contracted services were performed and were consistent with the operations of SSLOCSD. We will consult with district officials including Mr. John Clemons, District Supervisor for the SSLOCSD.

8. There have been several allegations regarding the conduct of Mr. Wallace during his tenure as director of the SSLOCSD. We will review all of the allegations and attempt to contact the relevant parties. Our review of the "Wallace" documents that he turned over to the district upon his retirement will be designed to identify any malfeasance by Mr. Wallace or his employee's.

PHASE THREE

9. Finally, at the end of our work, we will prepare a report with related exhibits of our investigative findings and meet with District Management and Board Members of the SSLOCSD in order to present our findings.

a. The format of our final report will be similar to our proposal to the SSLOCSD with particular detail regarding our work in Phases One and Two; and any relevant exhibits obtained during our work.

Sincerely,

Carl R. Knudson
Knudson & Associates

August 10, 2015

Richard Sweet, PE, District Manager
South San Luis Obispo County Sanitation District
1600 Aloha Place
Oceano, CA 93475

In re: Request for additional hours.

Dear Mr. Sweet:

As I recently indicated, I have used 288 of the 370 hours and \$39,033.20 of the \$55,000 budget authorized by the Board for the Wallace project. In my proposal and in my work plan, I indicated that once I started the analysis of the SSLOCSD business and accounting records; and after I began the interview of known witnesses, there could be a need for additional hours to complete the project. I have kept you up to date on the progress of our work and it wasn't absolutely clear up until last week that the complexity and scope of our work had substantially increased.

Based upon the information provided below, I would request an additional 150 hours and a \$22,500 increase in the budget amount previously authorized for a total of \$77,800. This additional amount will allow me to follow-up certain interviews and leads in SLO as described below, and to finalize the review of voluminous records that we have obtained during our investigation.

What we have accomplished

We have reviewed the accounting and business records of the SSLOCSD and found that the computerized accounting for the years 2004 to July 2008 were not available and had been wiped clean when the plant switched to QuickBooks. The available accounting evidence (account 19, 20 and 26) shows that Wallace and the Wallace Group received \$ 3,422,996.60 during the period July 2008 to June 2013. There have been some payments to the Wallace group after June 2013 for FOG inspections and a \$25,000 payment for "Carter v. Wallace."

Request for additional hours

August 10, 2015

I know that the District has the billing statements for Wallace for the period 2004 to 2008 so we will be able to come up with a total amount to Wallace for the period 2004 to 2013 which I expect will exceed \$5 million.

However, I have been able to find some spreadsheets for the 2006-2008 in the "Matt Haber" files (23 gb) found on the plant server. Obviously this was data that we could not have known existed, but we are nonetheless pleased that it exists and we were able to review 2,300 files that were left over from the Wallace years. I have found excel spreadsheets (2004-2007) labeled as "Wallace Major Projects" which I have interpreted to mean that the schedules represent funds that he received, which total \$1,886,036 during the period for Major Projects. I don't believe those numbers include the funds he received for administrative and operational charges. As indicated above, the amount Wallace received during the period 2004-2013 will be well over \$5 million.

Further, we have recovered the spreadsheets from the state related to the warrants paid by the state which will be helpful in filling in the gaps for the period 2004-2008.

We are working with Amy and John Clemmons in obtaining the MBI spreadsheets, the Board Packets (staff reports) for the period 2004 to 2013 to see what information was provided to the Board regarding the \$5 million that Wallace received.

We have made three trips to the SLO area and have interviewed over twenty individuals that included; a former plant manager, former plant superintendents, former plant employees and former SSLOCSD Board members. We have also interviewed the current plant operators and administration. We have gained a great deal of evidence showing past management practices and how it affected plant operations, costs to the District and caused a number of personnel actions.

We examined the 56 boxes of plant records provided by Wallace, which he apparently stored at the Wallace Group offices. The boxes included confidential personnel files of a number of plant employees who had filed grievances against Wallace. We have learned that some records stored at the Wallace Group were "purged" but we don't know what records were "purged" since Wallace didn't provide a list. The inventory sheets that Wallace provided for the 56 boxes of records was not adequate to provide itemized detail as to what was contained in the boxes.

Request for additional hours

August 10, 2015

We have reviewed and examined a number of vendor files regarding alleged purchasing irregularities by Wallace acting in the capacity as the SSLOCSD manager. We are in the process of interviewing two other individuals who were solicited by Wallace as it relates to the SSLOCSD.

Work to be completed

I have been corresponding with Mr. Wallace and I recently sent you a PDF file memo that Wallace sent to me regarding my interview with him, and as it turns out he has included his attorney and a financial expert in government finances. Obviously this is unusual but I am committed to meeting with Mr. Wallace, we'll see how it goes. I also asked Wallace if I could interview Heather Billing, he advised that she is on a sabbatical and might be back in September or October. At this time, I'm not sure whether any of the Wallace people will be available, but I might ask to speak with Tom Zhender and Bill Lyndall and see how that goes.

I have also received permission from Wallace to interview Mr. Seitz and I will set up the appointment once we receive the requested additional hours. I will also attempt to interview the current and former Board Members regarding the documents reviewed by the Board which was provided by Wallace. I have been told by several witnesses that "Wallace didn't do anything without the Boards approval."

I will contact at least two officials connected with the Water Quality Board in order to obtain their reports and investigative findings. I will visit the Water Quality Board offices in SLO and review public records and copy records relevant to our investigation.

I will contact Shannon Sweeney in order to obtain her reports on the work she performed at the plant

I am working with John and Amy in getting the documents that I mentioned above and it is possible that a former plant employee has a "copy" of the plants accounting records which he purportedly obtained at the plant.

Request for additional hours

August 10, 2015

I believe this covers most of the important tasks to be completed. I have not included the writing of the final report because I have will have about 40 hours (after next week) remaining of my original authorized which I will use for the final report.

Sincerely,

Carl R. Knudson

Knudson & Associates

CONFIDENTIAL



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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www.sslocsd.org

Staff Report

To: Board of Directors

From: Richard G. Sweet, PE, District Manager

Date: August 19, 2015

**Subject: CONSIDERATION OF PREPARATION OF A REQUEST FOR
PROPOSAL FOR DISTRICT MANAGER'S POSITION**

RECOMMENDATION

That the Board:

1. Discuss the District's approach to filling the District Manager's position.
2. Direct the preparation of an RFP for immediate release
3. Identify potential interim District Managers and
4. Take whatever other appropriate actions necessary to ensure that the District Manager position is timely filled.

This item was continued from the Special Board meeting held on August 13, 2015.

BACKGROUND

The District Manager tendered his resignation on August 5, 2015. At a special meeting of the Board on August 13, 2015 it was determined that the present District Manager's last day in the employ of the District will be September 11, 2015.

At the Special Meeting of August 13, 2015 public testimony was provided on this item and the item was continued to this meeting.

DISCUSSION

There are two items that require consideration.

1. Determining an interim District Manager to fill the role of the District Manager until a permanent replacement can be found.

2. Defining the position of District Manager and determining a method to obtain a District Manager that conforms to that definition.

Interim District Manager

An Interim District Manager may be required to serve a period from as little as three months to up to a year. This interim period will require an individual with considerable experience in governmental management and technical operations.

The District may choose to hire an individual as a consultant or a temporary employee. There are several firms that offer retired government executives to serve as interim managers. It is likely that this individual will require full time employment during the interim period. The City of Arroyo Grande recently utilized a retired government executive as the interim City Manager with some success. It is likely that the cost for this service for a six-month period will range from \$75,000 to \$100,000.

Another option would be to hire an engineering consultant that has experience in governmental management. This may provide the District with a vast array of resources. Cost to the District will depend on the requirements of the District and the ability to control costs.

The District may also choose to temporarily promote an individual who is presently employed by the District. This may be accomplished at a lesser cost than the other options. However filling the role presently held by the employee as well as the role of District Manager may prove to be overwhelming. Granting the role of Interim District Manager to an existing District employee may create expectations of the employee that may be difficult to fulfill in the long term.

District Manager

There are numerous options that the District may consider to fill the role of District Manager.

Options

Retain an Engineering Consultant to manage the District. The District can avail itself of a wide range of resources. The cost to acquire these resources can be very high. If the District wishes to pursue this option, the Board should direct the preparation of a Request for Proposals. The period of time required to retain a District Manager with this option is three to six months.

Hire a full time District Manager. The District has never had a full time District Manager. There are a number of important issues facing the Board which may warrant the engagement of a full time manager. The District would need to accommodate the position by creating such a position and providing facilities to house the District Manager. The cost to employ an individual with the appropriate skill sets and experience is estimated to be between \$225,000 and \$300,000 annually in salary and benefits. This estimate is based on a salary of \$150,000 to \$200,000 and a benefit package that is fifty percent of the salary. This is consistent with the salary to benefit ratio presently offered by the District. It is

estimated that it will take between four and nine months to retain a competent individual for the position of District Manager. The District may wish to employ a recruiting firm to retain the District Manager. The cost of a recruiting firm is generally one-half of the annual salary of the position recruited for; in this case, between \$75,000 and \$100,000.

Hire a retired annuitant to become the District Manager. The District may choose to seek an individual who has retired from public service. This may provide the District with an individual that has significant experience in the public sector. An individual who has retired from the State of California Public Employee Retirement System (PERS) is restricted to working no more than 960 hours annually. There may be other restrictions placed by PERS on the employee which may restrict service to the District. This cost to the District for a 960 hour a year employee would be approximately \$100,000 annually. It may require some time to find an employee that will meet the District's needs. The restriction on the number of hours that the employee can work will unlikely be adequate to fulfill the needs of the District.

Other. There may be a number of other options not evaluated within this report. One option that was cited in public testimony at the Special Board Meeting held on September 13, 2015 was a restructuring of the District to redefine the position of District Manager to an administrative position under the authority of the plant superintendent.

Richard G. Sweet, PE
District Manager



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Staff Report

To: Board of Directors

From: Richard G. Sweet, PE, District Manager

Date: August 19, 2015

**Subject: REVISIONS TO DISTRICT'S VACATION POLICY AND REDUCTION OF
ACCRUED VACATION PER EMPLOYEE TO 180 HOURS**

RECOMMENDATION

That the Board adopt by resolution the District's Revised Vacation Policy, Attachment "A," and reduce accrued vacation per employee to 180 hours by purchasing vacation hours from employees.

BACKGROUND

The District's existing vacation policy is over eleven years old. There have been a number of changes to State and Federal law in the last decade that should be addressed in a revised vacation policy. Earlier this year the District became aware that two of the District's employees had exceeded the District's vacation accrual limit of 180 hours. This occurred a number of years ago. The employees relayed that they were instructed to continue to work and not take vacation time because the plant required their continuing service. The purpose of an accrual limit is to ensure that employees take vacation time and, as vacation accrual is recognized as an unfunded liability, to keep the District's unfunded liability to a minimum. Lara Human Resources has successfully and economically assisted the District on human resources issues in the past and the District has a contract with Lara Human Resources to assist the District on human resource matters. Therefore the District utilized Lara Human Resources to update the District's vacation policy and make recommendations on a method that would successfully resolve the accrual of vacation time beyond the accrual limit.

DISCUSSION

Most of the changes to the vacation policy are relatively minor and correct or clarify designations, definitions or descriptions. The most significant change is that the maximum vacation accrual is being changed from 180 hours to 240 hours. The revision

also establishes that monitoring of the vacation limit is the employees' responsibility and that vacation will cease to be earned when the vacation accrual limit is achieved. The revised wording is:

"The maximum amount of vacation accumulation at any one time for an employee shall be 240 hours. When an employee reaches the maximum allowable vacation credit, no addition vacation credit shall be earned until the vacation balance is below the maximum. Employees are responsible to regularly monitor their own accumulated vacation hours balance."

Raising the vacation accrual limit is being proposed to both make the District's accrual limit more consistent with present practice and to assist in eliminating the issue of employees exceeding the accrual limit.

To reduce accrued vacation time for those employees who have exceeded the vacation accrual limit, it is recommended that vacation time from employees be purchased in an amount that would reduce their accrued vacation time to 180 hours. Purchasing vacation time to a level lower than the proposed revised limit of 240 hours will allow the employees to accrue vacation time consistent with the Revised Vacation Policy.

The Revised Vacation Policy and the approach to reduce vacation time accrued has been discussed with the District's employees and there is no resistance to this approach that the District is aware of.

Fiscal Consideration

It is estimated that the cost to the District to purchase vacation time to reduce accrued vacation time to 180 hours will be under \$20,000. Funding for this expenditure is available in accounts for employee compensation from savings acquired from an unfilled position.

Richard G. Sweet, PE
District Manager

Attachment: Attachment "A" Revised Vacation Policy

CHAPTER FOUR – BENEFIT

UPDATED August 2015

Adopted By: Resolution 2015-

4000 – VACATION

1. This policy shall apply to regular and introductory employees in all classifications and ~~is further defined in~~ shall supersede and repeal the vacation provisions of: Attachment C, Resolution No. 2004-05 [217], and Appendix C, Resolution No. 62, [Section 1 Annual Vacation Leave] or ~~most current~~; other resolutions adopted prior to this Resolution, the language of which is not incorporated herein.

Prospective amendments by resolution shall be incorporated into this policy, with a notation of the resolution number and the date of adoption.

2. The purpose of annual vacation leave is to enable each eligible employee to return to his work mentally refreshed. All employees in the competitive service shall be entitled to annual vacation leave with pay except the following:
 - (a) Employees still serving their original probationary period in the service of the Sanitation District. However, vacation credits for the time may be granted to each such employee who later ~~receives a permanent appointment~~ successfully passes his/her new hire probationary period.
 - (b) Employees who work on an intermittent or seasonal basis and all employees who work less than half-time.
3. Each eligible employee shall be required to have served the equivalent of one year of continuous service in the District's employment in order to be eligible for his/her full annual vacation leave, provided, however, that after six months of continuous service he/she may be permitted to take vacation leave not to exceed five working days.
4. All eligible full-time employees in a paid status, shall earn vacation credits at the rates as follows, unless he/she has reached the maximum accumulation of hours. All eligible employees who work less than full-time and at least half time (and are not noted in (b) above). shall earn vacation credits on a prorated basis.

Years of completed continuous service

Vacation Days

<u>From 0 up to 2 years</u>	10 days
<u>From 2+ up to 4 years</u>	11 days
<u>From 4+ up to 5 years</u>	12 days
<u>From 5+ up to 6 years</u>	13 days
<u>From 6+ up to 7 years</u>	14 days
<u>From 7+ up to 8 years</u>	15 days
<u>From 8+ up to 10 years</u>	15 days

From 10+ up to 20 years
From 15+ up to 20 years

+1 day/year
20 days maximum

5. Effective dates for rate of earnings shall be the first day of the next full pay period after employee completed the referenced year's service.
6. The maximum amount of vacation accumulation at any one time for an employee shall be 240 hours. When an employee reaches the maximum allowable vacation credit, no addition vacation credit shall be earned until the vacation balance is below the maximum. Employees are responsible to regularly monitor their own accumulated vacation hours balance.

~~Exempt employees shall earn an additional five (5) days per year of administrative leave, to be used subject to District Administrator approval, in a similar manner as vacation time. Administrative leave shall not be accumulated and carried over from one calendar year to the next. This has been moved to it's own section; see below.~~

7. The District will not require an employee to take vacation time in lieu of sick leave or leave of absence during periods of illness. However, the employee may elect to take vacation time in case of extended illness where sick leave has been fully used. Vacation taken in lieu of sick leave, will be recorded as such on employee time cards.
8. If a District recognized holiday falls on a workday during an employee's vacation period, that day shall be considered as a paid holiday and not vacation time.
9. The times during a calendar year when an employee may take his vacation shall be determined by the department head with due regard for the wishes of the employee and particular regard for the needs of the service. If the requirements of the service are such that an employee must defer part or all of his annual vacation in a particular calendar year, the appointing authority may permit the employee to take such deferred vacation during the following calendar year.

Employees are responsible to monitor their own vacation balances, and if requirements of service are such that a deferral may be necessary, they are to advise the Plant Superintendent in advance. A written ~~report~~ record of each pre-approved deferred vacation, signed by the ~~Chief Plant Operator~~ Plant Superintendent, noting the details, shall be kept on file with the District ~~Administrator~~ Manager.

10. Vacations may be scheduled at any time during the year upon approval of the employees' immediate supervisor. Vacation requests must be submitted in writing, and may not be approved if not submitted at least three weeks in advance, or if the request conflicts with other vacation requests. If a vacation conflict exists employee seniority shall be used to resolve conflict.

11. Vacations are provided by the District to employees as a period of exemption from work with pay for the purpose of rest, relaxation and recreation. This respite is a benefit and is intended as an aid in maintaining the long-term and consistent productivity and contentment of the employee. As such, pay in lieu of vacation time away from work shall not be permitted except at termination.
12. Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave up to 240 hours. earned prior to the effective date of termination. No such payment shall be made for vacation accumulated contrary to the provisions of these rules.

CHAPTER FOUR – BENEFITS

4005 – ADMINISTRATIVE LEAVE

1. Exempt employees shall earn an additional administrative leave in the amount of five (5) days per service year of administrative leave, to be used subject to District Administrator Manager approval, in a similar manner as vacation time. However, Administrative leave is not a vested leave right, and as such, shall not be accumulated and carried over from one calendar year to the next, nor paid off in a lump sum at termination.

RESOLUTION NO. 2015-

A RESOLUTION OF THE SOUTH SAN LUIS OBISPO
COUNTY SANITATION DISTRICT BOARD OF DIRECTORS
ADOPTS REVISED VACATION POLICY AS PRESENTED AT THE
DISTRICT BOARD MEETING OF AUGUST 19, 2015

WHEREAS the last revision to the District vacation policy was adopted in 2004,

WHEREAS there have been a number of changes to Federal and State laws in the last decade that should be addressed in a revised vacation policy, and

WHEREAS vacation has been allowed to accrue beyond the vacation accrual limits.

BE IT RESOLVED by the South San Luis Obispo County Sanitation District that the District adopt the Revised Vacation Policy as presented, revised and adopted at the Board Meeting of August 19, 2015.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held on August 19, 2015.

Richard Sweet
District Manager

Jim Hill
Chairman Board of Directors,
South San Luis Obispo County Sanitation District

Jena Shoaf
District Legal Counsel

6B(1)



**California Special
Districts Association**
Districts Stronger Together

MEMORANDUM

DATE: August 1, 2015

TO: CSDA Members (Board and Staff)

FROM: Steve Perez, CSDA President
Neil McCormick, Chief Executive Officer

SUBJECT: 2016 CSDA Committee & Expert Feedback Team Participation

CSDA's strength and effectiveness as an organization is directly related to our ability to involve the member district/agency Board members and staff in the work of the Association. The talents and energy that both groups bring to CSDA and to the issues that concern special districts in California through active involvement are critical components of CSDA's success.

With this in mind, we are asking for volunteers from your district (staff and/or Board members) to participate and contribute on one or more of our committees and/or expert feedback teams to assist in shaping CSDA.

If you or any others from your district would like to become even more involved as a member of CSDA, please review and complete the form included with this letter. Committees need dedicated participants who are able to expend the time to provide their expertise in directing the activities and policies of CSDA. CSDA does not reimburse for committee related travel expenses.

In regard to **CSDA's Expert Feedback Teams**, when a need for feedback arises on a particular policy matter, CSDA advocacy staff will send an e-mail to an expert feedback team asking for its input. Team members need only reply with their thoughts, opinions and experiences. The workload of a team member will ultimately be what he or she makes of it. Team members will not be required to travel; they should expect to receive a handful of e-mails each month and, on rare occasions, they may be contacted by phone.

Please return the attached form by **5:00 PM on October 9, 2015**. The selection and ratification of CSDA's 2016 committees will take place in November and selected participants will be notified by the end of November 2015. Committee participation begins in January 2016.

Thank you for your continued support of CSDA!

California Special Districts Associations
1112 I Street, Suite 200
Sacramento, CA 95814
Toll Free: 877-924-CSDA (2732)
Phone: 916-442-7887
Fax: 916-442-7889

A proud California Special Districts Alliance partner

Special District Risk Management Authority 1112 I Street, Suite 300 Sacramento, CA 95814 Toll Free: 800-537-7790 Fax: 916-231-4111	CSDA Finance Corporation 1121 I Street, Suite 200 Sacramento, CA 95814 Toll Free: 877-924-CSDA (2732) Fax: 916-442-7889
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California Special Districts Association

Districts Stronger Together

2016 COMMITTEE AND EXPERT FEEDBACK TEAM INTEREST FORM

Please make additional copies for each participant.

Please use actual contact information where you can be reached

Name: _____

Title/Position: _____

District/Organization: _____

Telephone: _____ Fax: _____

E-mail: _____

COMMITTEES: We hope your District will participate in one or more of CSDA's committees. The CSDA Board of Directors encourages the participation of individuals from member agencies and Business Affiliates on CSDA's committees. As space is limited, please choose more than one committee which you would like to participate on, and please rank according to preference: **1 = 1st choice; 2 = 2nd choice; 3 = 3rd choice**

If we are able to place you on more than one committee, how many committees would you like to serve on?
_____ (maximum 3)

NOTE: All committees meet in-person at least twice annually. Committees generally meet in Sacramento, however locations may vary.

_____ **Audit Committee:** Responsible for maintaining and updating internal controls. Provides guidance to auditors regarding possible audit and fraud risks. Commitment: May meet with auditors prior to the commencement of the audit, when audit is completed and possibly one meeting during the auditing process. Financial experience preferred.

_____ **Professional Development Committee:** Plans, organizes and directs the professional development and events for CSDA. Commitment: Meets at least twice annually.

_____ **Elections & Bylaws Committee:** Conducts annual elections and occasionally reviews bylaws upon request of the CSDA Board, members or as needed. Commitment: Minimum of one meeting in Sacramento.

_____ **Fiscal Committee:** Oversees the financial direction of the organization including budget review and implementation. Commitment: Meets at least three times annually. Financial experience preferred.

_____ **Member Services Committee:** Responsible for recruitment of new members, member retention, development of new member benefits and review of current programs. Commitment: Meets at least twice annually.

_____ **Legislative Committee (space is limited):** Develops CSDA's legislative agenda; reviews, directs and assists with legislative/public policy issues. Commitment: Meets six times a year in Sacramento. Attending CSDA's Special Districts Legislative Days (May 17-18) and Annual Conference (October 10-13) is expected if you serve on this committee. All 2016 Legislative Committee applicants are invited to join the 2015 committee members and CSDA staff for a legislative planning session on November 6, 2015.

Each Legislative Committee member will be assigned to 1 or 2 working groups. Please rank from 1 to 6 which working groups you prefer to serve on (1 being most preferred):

- _____ Environment Working Group
- _____ Formation & Reorganization Working Group
- _____ Governance Working Group
- _____ Human Resources & Personnel Working Group
- _____ Public Works & Facilities Working Group
- _____ Revenue Working Group

I prefer to serve on ____ (1 or 2) Legislative Committee working groups

_____ **Alternative Option: CSDA Blog and Legislative Distribution List** - Because seats are limited on the Legislative Committee, CSDA has created an alternative option whereby members can receive the same legislative information via email that Legislative Committee members receive. Members on this list will be subscribed to receive "real-time" e-mail updates from the CSDA Blog and will be copied on Legislative Committee e-mails. Select this option instead of the Legislative Committee if you are unable to meet the requirements of serving on the Legislative Committee, but still want to keep informed of the latest legislative issues impacting special districts and provide input to CSDA as appropriate.

EXPERT FEEDBACK TEAMS: In order for CSDA to quickly and effectively gauge the impact new laws may have on special districts, we depend on the expertise of the people who are directly impacted in the field. If you have firsthand experience in one or more of the areas below, please join CSDA's Expert Feedback Team.

_____ **Environment:** CEQA; Greenhouse Gas/AB 32; Land Use; Renewable Energy; Sustainable Communities/SB 375

_____ **Formation & Reorganization:** LAFCO

_____ **Governance:** Audits and Reporting; Bankruptcy; Elections; Ethics; Mandates and Mandate Reimbursement; Political Reform/Conflict of Interest/FPPC; Transparency and Accountability

_____ **Human Resources & Personnel:** Contracted Services; Occupational Safety; Labor Relations; Retirement and Other Benefits; Workers' Compensation and Other Insurance

_____ **Legal:** General legal matters affecting special districts

_____ **Public Works & Facilities:** Bidding Process (Design Build, JOC, P3, Best Value); Bonds and Financings; Indemnification; Prevailing Wage; Retention Proceeds

_____ **Revenue:** Benefit Assessments; Fees/Prop 218; Mello-Roos/CFDs; Property Taxes; Redevelopment Agencies/(E)FIDs; Special Taxes

Committee and Expert Feedback Team participation is open to both member district/agency Board Members and Staff. **Please note that the Association does not reimburse any expenses incurred from this participation.** CSDA is committed to keeping travel costs to a minimum for committee members and handles a significant amount of committee work through webinars, conference calls and e-mail; however, most committees do meet at least two times a year in person.

***Either the District/Company General Manager or Board President must authorize below**

*Signature: _____ Date: _____

Please return this completed form to Charlotte Lowe at CSDA by mail, fax (916) 442-7889 or email charlottel@cstda.net no later than **5:00 PM on Friday, October 9, 2015**

CSDA, 1112 I St., Suite 200, Sacramento, CA 95814, T - (916) 442-7887, F - (916) 442-7889 www.cstda.net