

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 January 20, 2016
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

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

District Staff in Attendance: John Clemons, Interim District Administrator/Plant Superintendent; Gilbert Trujillo, District Legal Counsel; Amy Simpson, District Bookkeeper/Secretary.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Giselle Naylor asked about the Sanitation billing for the residents of Oceano.

Patty Welsh asks to see the benefits package of the District employees on a future agenda.

Ron Holt asked of the possibility of adding more District Board members.

Jeff Pineack spoke on water conservation.

Mary Lucey would like to see the Board set goals. She has concerns over the Personnel Policy Manual.

There being no more public comment, Chairman Shoals closed the public comment period.

3. CONSENT AGENDA

3A. Review and Approval of the Minutes of the January 06, 2016 Meeting

3B. Review and Approval of Warrants

Director Hill requested that the seconder to the motion be included in the minutes. He pointed out that item 5E from the minutes of January 6 should read, "There being no public comment, Chairman Shoals closed the public comment period."

Chairman Shoals opened the public comment period.

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Julie Tacker would like the District to “get out of the Litigation business.” She would also like the billings from the Knudson Report to be included with the Wallace side of the cost.

April McLaughlin is appalled that the District is still paying Mike Seitz. She would like the State Fund Workers Comp warrant be pulled.

Tim Brown commented on the Seitz bill.

Chairman Shoals closed the public comment period.

- Motion:** Vice Chair Guerrero made a motion to approve the Consent Agenda with the amended minutes.
- Second:** Director Hill seconded the motion and added that this will be the last payment to Shipsey and Seitz that the Board will pay.
- Action:** The Consent Agenda was approved unanimously with amendments made to the minutes.

Legal Counsel will review the Seitz bill and determine whether or not it will be the last billing.

4. PLANT SUPERINTENDENT’S REPORT

Superintendent Clemons presented the report. He reported that the plant is in good standing. He gave an update on maintenance, in progress, and training happening at the District. He answered questions submitted by Director Guerrero at the meeting of January 6. He emphasized that the Redundancy Project cannot be put on hold or put second to Reclamation Project. He said that the Redundancy Project will move the District closer to Reclamation. He informed the Board that the notification for the Prop 218 hearing has been mailed out. The rates will be set by the Board after the hearing.

Chairman Shoals opened the public comment period.

Julie Tacker, Giselle Naylor, and Brad Snook all gave public comment.

There being no more public comment, Chairman Shoals closed the public comment period.

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

5. BOARD ACTION ON INDIVIDUAL ITEMS:

5A. 2014/15 AUDIT PRESENTATION

The Board received a presentation of the 2014/15 Audit which showed that the District realized and overall increase of cash and cash equivalents of \$968,159 from the previous year. However, the District realized a decrease in net position of \$207,839 from the

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previous year. The decrease in net position can be attributed to factors such as depreciation and net pension liability. Overall, the District has improved on its fiscal performance this period when compared to prior years. Cash balance increased significantly. Losses and expenditures are less than in prior years.

Chairman Shoals opened the public comment period.

Tim Brown, Andrea Seastrand, and Debbie Peterson all gave public comment.

There being no more public comment, Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion to approve the Fiscal Year 2014/15 Audit.

Second: Vice Chairman Guerrero

Action: Motion approved unanimously by roll call vote.

5B. COST OF LIVING ADJUSTMENTS FOR DISTRICT STAFF; STAFFING ALLOCATIONS; CERTIFICATION STIPEND FOR ALL OPERATORS

The Board received a presentation from Alicia Lara of Lara HR services.

Chairman Shoals opened the public comment period.

Patty Welsh, April McLaughlin, Sharon Brown, Tim Brown, Mary Lucey all gave public comment.

There being no more public comment, Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion

- To authorize a one and a half percent (1.5%) Cost of Living Adjustment (COLA) for District staff and adopt Resolution 2016-340.
- Creation of a new part-time classification of Plant Worker, the
- Summer Intern Program and
- Authorize that all operators are eligible for the Higher Operator Grade Program.

Second: Chairman Shoals

Action: Motion approved unanimously by roll call vote.

The Board took a five minute recess.

5C. REPORT ON REVIEW OF PAST MANAGEMENT PRACTICES BY KNUDSON & ASSOCIATES; REQUEST FOR FUNDING

Carl Knudson was present to present his findings. He went over the highlights listed in the Executive Summary and the Recommendations of the report. The

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majority of the recommendations have already been addressed and implemented by staff.

Chairman Shoals opened the public comment period.

Julie London- asked about the large amount of pages redacted, asked about the 28 employees, asked that the issue be sent beyond the County law enforcement

Giselle Naylor- commented on how many years of people not listening and being ignored- issues brought up by so many people who were ignored.

April McLaughlin- recommended many accounting procedures to clean things up. 5 years are up and we need a change in auditor. She empathized with Ms. Naylor for being shamed at the OCSO meeting.

Mike Byrd- provided congratulations to the Board for the report. Asked to stop litigating the 1 million dollar fine with the Water Quality Control Board. He also wants the investigative report to be sent to DA, Attorney General and the State Bar and the Engineer, Land Surveyor Licensing Board.

Debbie Peterson- brought to the attention of the Board the use of reserve funds for payroll.

Julie Tacker brought up the concept that federal funds were accepted by the District.

AG City Councilman Tim Brown apologized to Mr. Clemson for asking for raises for his 8 employees and suggested he was saving tremendous amounts of money compared to the 28 employees of the "Wallace years"

Beatrice Spencer- painted a visual picture of the growing billable from the Wallace Group and the "wheelbarrow of cash twice a month wheeled out of the district".

Andrea Seastrand- pleaded with the Board to "stop the insanity" and send the report on to the proper county, state and federal authorities.

Patricia Price- asked the District to move the investigative report to the proper law enforcement authorities right away.

Ron Holt- thought we had come so far that there was no harm in waiting a couple weeks before the report was moved on.

Jeff Pineack – suggested that over the years the Wallace Groups company grew and its needs included pilfering funds from poor Oceano.

Lee Ann Akins was not present. Debbie Peterson read a letter from her.

Chris Gardner, a Wallace Group representative, requested that the Board continue this item until the Wallace Group can provide responses and corrections.

There being no more public comment, Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion to:

- To send a letter to the Wallace Group and Mike Seitz requesting return of District files immediately.
- Pursue a new contract for an auditor with a duration not to exceed 5 years. And to review other work being done by potential auditors.
- Forward the Knudson Report to District Attorney Dan Dow, State Attorney General, and the FBI.
- Approve additional amount of funds to Knudson to cover the cost to complete the project.

Second: Vice Chair Guerrero

Action: Motion approved unanimously by roll call vote.

The Board gave direction to contact John Wallace and invite him to attend the next meeting to provide additional comments during the Public Comment period.

6. MISCELLANEOUS ITEMS

- A. Miscellaneous Oral Communications
None to report.
- B. Miscellaneous Written Communications
None to report.

7. VERBAL REPORT BY INTERIM DISTRICT ADMINISTRATOR

No report was given at this meeting.

8. ADJOURNMENT

There being no further business to come before the Board, Chairman Shoals adjourned the meeting at approximately 9:50p.m.

THESE MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT THE MEETING OF FEBRUARY 03, 2016