



**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.us

**AGENDA
BOARD OF DIRECTORS MEETING**

Grover Beach City Hall Chambers
154 South 8th Street
Grover Beach, California 93433

Wednesday, February 15, 2017, at 6:00 p.m.

Board Members

John Shoals, Chair
Linda Austin, Vice Chair
Jim Hill, Director

Agencies

City of Grover Beach
Oceano Community Services District
City of Arroyo Grande

Alternate Board Members

Karen White, 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. PLEDGE OF ALLEGIANCE**
 - 3. AGENDA REVIEW**
 - 4. 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.
- Direct Staff 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 Administrator or Bookkeeper/Secretary at (805) 481-6903. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

5. 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.

- 5A. Approval of Warrants**
- 5B. Financial Review at January 31, 2017**
- 5C. Plant Superintendent Report**

6. ACTION ITEMS

- 6A. Approval of Minutes of Meeting of December 21, 2016**
- 6B. Approval of Minutes of Meeting of January 04, 2017**
- 6C. Approval of Minutes of Meeting of February 1, 2017**

6D. CALENDAR YEAR 2016 ANNUAL REPORT TO CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD

Receive and File the District's Annual Report to the Central Coast Regional Water Quality Control Board

6E. CONTRACT WITH REGIONAL GOVERNMENT SERVICES FOR HUMAN RESOURCES PROFESSIONAL SERVICES

Consider and Approve a Contract with Regional Government Services to Provide Human Resources Professional Services for the District

6F. PROPOSED RESOLUTION NO. 2017-362 TO ALLOW THE DISTRICT EMPLOYEES TO PARTICIPATE IN CALPERS' 457 DEFERRED COMPENSATION PLAN

Consider and Approve Resolution No. 2017-346, Authorizing District Participation in CALPERS' 457 Deferred Compensation Plan

6G. ANNUAL REVIEW AND UPDATE TO DISTRICT'S BOARD BYLAWS

Consider and Approve Amendments to the District's Bylaws as Proposed in Attachment No. 1

6H. DISTRICT'S BRINE DISPOSAL PROGRAM AND CAMBRIA COMMUNITY SERVICE DISTRICT'S APPLICATION FOR A BRINE WASTE DISPOSAL PERMIT

Receive and File Report

7. ADJOURN MEETING

The next regularly scheduled Board meeting on March 1, 2017, 6 pm at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
02/15/2017 FY 2016/17

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABBA EMPLOYER SERVICES	TEMPORARY LABOR	23256	021517-1933	6085	481.60	481.60
AGP VIDEO	PROF. SERVICES	6857	1934	7080	585.00	585.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	MARCH	1935	6025	862.26	862.26
ARAMARK	UNIFORMS	01/27; 02/03	1936	7025	421.43	421.43
AUTOSYS, INC.	EQUIPMENT MAINTENANCE	1007	1937	8030	404.00	404.00
BANK OF THE WEST	MEETINGS	JANUARY	1938	7050	100.00	879.86
	OFFICE SUPPLIES	JANUARY		8045	703.84	
	HOUSEHOLD SUPPLIES	JANUARY		8035	30.16	
	FINANCE CHARGE	JANUARY		7068	45.86	
BRENNTAG	PLANT CHEMICALS	BPI69720; BPI699735	1939	8050	10,261.83	10,261.83
CAL ELECTRIC SUPPLY	EQUIPMENT MAINTENANCE	679148	1940	8030	105.32	105.32
CENTRAL COAST TECHNOLOGY	COMPUTER SUPPORT	617; 763; 807; 821; 860	1941	7082	2,131.86	2,131.86
CHARTER	COMMUNICATIONS	01/29-02/28	1942	7013	365.20	365.20
CULLIGAN CCWT	EQUIPMENT RENTAL	40415	1943	7032	60.00	60.00
CULLIGAN SANTA MARIA	EQUIPMENT RENTAL	63626	1944	7032	22.50	22.50
DIAMOND EQUIPMENT	EQUIPMENT MAINTENANCE	W00063	1945	8030	3,112.58	3,112.58
GARING TAYLOR ASSOC.	CHERRY AVE BRIDGE PROJECT	14135	1946	26-8065	343.75	343.75
GILBERT TRUJILLO	GENERAL LEGAL SERVICES	JANUARY	1947	7071	5,372.50	5,372.50
JB DEWAR	FUEL	837226; 158103	1948	8020	578.13	578.13
JESSICA MATSON	WEBSITE SUPPORT	JAN-2017	1949	7065	97.50	97.50
MANAGEMENT PARTNERS	STRATEGIC PLANNING	04081	1950	7088	5,400.00	5,400.00
MICHAEL K NUNLEY	HEADWORKS IMPROVEMENT	3066	1951	26-8065	2,887.50	3,602.19
	REDUNDANCY PROJECT	3078		20-7080	288.75	
	GIS IMPLEMENTATION	3030		7015	425.94	
MINERS	HOUSEHOLD SUPPLIES	JANUARY	1952	8030	214.06	214.06
NBS	OCEANO BILLING	JAN. - MARCH	1953	7074	2,645.31	2,645.31
OCSD	WATER	11/18/16-01/18/17	1954	7094	329.70	329.70
OILFIELD & ENVIRO. COMPLIANCE	BRINE SAMPLING	1400405	1955	7086	228.00	228.00
PG&E	ELECTRICITY	1/8-2/7	1956	7091	11,977.11	11,977.11
POLYDYNE INC.	PLANT CHEMICALS	1108223	1957	8050	5,821.53	5,821.53
PRAXAIR	EQUIPMENT RENTAL	75911960	1958	7032	29.73	29.73
READY REFRESH	HOUSEHOLD SUPPLIES	12/27/16-01/26/17	1959	8035	125.02	125.02
SO CAL GAS	GAS	01/02-01/30	1960	7092	272.06	272.06
SO. CO. SANITARY SERV.	GARBAGE	FEBRUARY	1961	7093	527.40	527.40
STANLEY SECURITY	ALARMS	MARCH	1962	7011	64.06	64.06
STATE COMP INSURANCE	WORK COMP	FEBRUARY	1963	6080	5,580.67	5,580.67
TOTAL COMPENSATION SYSTEMS	GASB 68 REPORT	5257	1964	7083	400.00	400.00
VWR	LAB SUPPLIES	2017-125	1965	8040	314.78	314.78
WENDY STOCKTON, ESQ.	LEGAL COUNSEL	JANUARY	1966	7071	5,477.50	5,477.50
SUB TOTAL					\$ 69,094.44	\$ 69,094.44
SO SLO CO SAN DIST. REIMB	RABOBANK JANUARY	PAYROLL	1967		60,903.26	61,056.66
		WEBHOSTING		7011	153.40	
SUB TOTAL					\$ 61,056.66	\$ 61,056.66
GRAND TOTAL					\$ 130,151.10	\$ 130,151.10

We hereby certify that the demands numbered serially from 021517-1933 to 021517-1967 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 Place, Oceano, California 93445-9735
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Date: February 15, 2016
To: Board of Directors
From: Amy Simpson, District Bookkeeper/Secretary
Via: Gerhardt Hubner, District Administrator
Subject: **Financial Review as of January 31, 2017**

Overall Financial Summary

As of January 31, 2017, the District has received total revenues of \$2,727,034. Of this amount, \$2,600,801 is for operating revenues, and \$126,233 is for non-operating revenues.

District operating expenses as of this date totaled \$2,336,367. Operating expenses totaled \$1,419,927 and non-operating expenses totaled \$916,440 as of January 31, 2017.

Local Agency Investment Fund

The balance in the District's LAIF account was \$2,430,608 as of January 31, 2017.

County of San Luis Obispo Treasury Pool

As of January 31, 2017, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$2,776,688. The County issues the majority of the District's checks, and the majority of the District's revenues are deposited with this agency. As such, the County provides 'banking services' to the District and provides some accounting documents for internal control purposes.

Rabobank Funds

At January 31, 2017, the reconciled cash balance in the District's Rabobank account totaled \$125,738. This account has been used to process the District's contracted payroll provider service and other District expenditures.

Account for the Oceano Community FY 15/16 Revenue

At January 31, 2017, the reconciled cash balance in this account totaled \$898. This account has been used as a pass thru account to receive Oceano Community prior year revenue.

Cash Balance at 12/31/16	5,044,929.78
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Deposits	\$ 394,186.58
County Treasury Interest	\$ 3,843.23
LAIF Interest	\$ 4,133.10
Warrant Register 01/04/17	(52,981.32)
Pay Roll 1/06/17	(29,693.33)
Pay Roll 1/20/17	(30,943.93)
Rabobank January Activity	(439.70)
Total January Activity	<u>288,104.63</u>

Cash Balance at 1/31/17	5,333,034.41
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	CASH BALANCE
Cash by Institution	@ 01/31/17
Cash with County Treasury	2,776,688.19
Cash with LAIF	2,430,607.97
Cash with Rabobank	<u>125,738.25</u>
	<u>\$ 5,333,034.41</u>

Superintendent's Report

During this reporting period (February 1st through February 9th, 2017) the District's facility continues to regularly meet its Permit Limitations as required under the State of California's National Pollution Elimination Discharge (NPDES) Permit issued to the District. All process values (lab test results) were within permit limits.

Plant Data (Monthly Data as Available February 9th), 2017

January 2017	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	2.61	3.85	529	30	456	24	2.5	180	94
High	2.91	5.0	529	30	480	31	4.5	250	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2016 Monthly									
Average	2.23	3.42	448	31	431	35	27	207	93
High	2.54	4.8	488	40	461	45	126	273	

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

Operation and Maintenance Projects

- Removed carpet and desk in operations building office.
- Removed scrap metal from yard.
- Cleaned wood and debris from base of FFR.
- Repaired brine meter.
- Drained and replaced oil in Primary clarifier #2 gearbox.
- Cleared secondary clarifier sludge return pipe with industrial snake.
- Began flow through Primary clarifier #2.
- Met with polymer flooring vendor.
- Underground Service Alerts.

Training

- Staff participated in a Basic Electricity Training session.
- Staff attended a training session on Confined space training.
- Staff attended a training session on Fatal Electric Shock safety.

Call Outs

- January 25th, 5:19am – Burglar Alarm. Operator Ill Jackman responded.
- January 27th, 6:45am – Influent Wet Well High Level Alarm. Operator Arias responded.
- January 31st, 7:00am – Digester Sump Hi Alarm. Operator Mui responded.
- February 1st, 5:30am – Secondary digester sump high level alarm. Operator Mui responded. Both pumps running. Waited for level to drop. Reset alarm.
- February 2nd, 3:00am – Digester sump. Operator Mui responded. Reset alarm.
- February 7th, 04:46 – Digester Sump. Operator Jones responded.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday December 21, 2016
6:00 P.M.

1. CALL. TO ORDER AND ROLL CALL

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

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

2. FLAG SALUTE

3. AGENDA REVIEW

Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened public comment period.

Julie Tacker commented on Cambria CSD's Brine Disposal project, the Recycling Project, and capital funding for the Redundancy Project.

Chairman Shoals closed public comment.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of November 16, 2016

5B. Approval of Minutes of Meeting of December 07, 2016

5C. Approval of Warrants

Administrator Hubner informed the Board that he has directed staff to return the Washer/Dryer listed in the Warrant Register.

Chairman Shoals opened public comment period.

Julie Tacker commented on Item 7B in the minutes of December 07, 2016, and the Jessica Matson warrant.

Chairman Shoals closed the comment period.

Motion: Director Hill made a motion to approve the Consent Agenda with one modification to December 07 meeting. Item 7B Public Comment has been

corrected to reflect that various individuals spoke against Item 7B.

Second: Director Austin

Action: Approved unanimously by roll call vote

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner provided update on NPDES permit renewal, Grit Removal Project, Satellite Facility Grant Study, Coastal Development Permit waiver for the Admin. Trailer and the Sea-Train, Regional Efforts, Personnel Policy Manual, and announced Fanny Mui received the Tri Counties Lab Person of the Year.

The Board had a discussion concerning the Personnel Policy and Job Description of Operator III and asked that the update of Plant Operator III be brought forward in reasonable near term.

Plant Superintendent reported on effluent plant data, operational maintenance, and training.

Chairman Shoals opened public comment period.

Julie Tacker and Ron Arnoldsen commented on District Administrator and Plant Superintendent's Report.

Chairman Shoals closed public comment.

The Board received clarification on the Cambria CSD Brine Project. A report will be brought to the Board once an application is received.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. APPROVAL OF WASTEWATER BILLING AND CONNECTION FEE AGREEMENT(S) WITH THE CITIES OF GROVER BEACH AND ARROYO GRANDE

1. Approve the City of Grover Beach Billing Agreement
2. Approve the City of Arroyo Grande Billing and Collection Fee Agreement

There was no public comment on this item.

Motion: Director Hill made a motion for approval of 7A as presented.

Second: Director Austin

Action: Approved unanimously by roll call vote.

7B. ELECTION OF CALENDAR YEAR 2017 BOARD OFFICERS

Consider and elect a Chair and Vice-Chair for 2017 Calendar Year

Chairman Shoals opened public comment period.

Julie Tacker and Patricia Price spoke in favor of Director Hill being Chairman.

Nancy McNeil and Mary Lucey spoke in favor of Director Shoals continuing as Chairman.

Chairman Shoals closed public comment.

Motion: Director Austin made a motion to elect Chairman Shoals as Chairman.

Second: Chairman Shoals

Action: Approved unanimously by roll call vote.

Motion: Chairman Shoals made a motion to elect Director Austin as Vice Chair.

Second: Director Hill

Action: Approved unanimously by roll call vote.

8. MISCELLANEOUS WRITTEN COMMUNICATIONS

1. Letter from Mary Lucey

Administrator Hubner announced that there were three more letters submitted.

1. Received from Julie Tacker
2. Received from Lindsey Westbrook
3. Received from Kris Victorine

Ron Arnoldsen submitted a news article to be included in the record.

Chairman Shoals opened public comment period.

Julie London, Julie Tacker, and Patricia Price did not agree with the statements Mary Lucey made in her letter.

Nancy McNeil supported Mary Lucey's letter.

Mary Lucey read the letter into the record and submitted a signature page.

Chairman Shoals closed public comment.

Administrator Hubner announced that future meetings will be held in Grover Beach City Hall Chambers located at 154 South 8th Street, Grover Beach.

9. ADJOURN MEETING

This meeting adjourned at 7:30 pm.

The next regularly scheduled Board meeting on January 04, 2017 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

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

DRAFT

December 19, 2016

Dear SSLOCSD Board of Directors,

In light of Mary Lucey's (December 15) letter attached to Wednesday's staff packet, I'd like this response read into the record too.

I would like to remind the board that in 2015 your Plant Superintendent was harassed by racist emails from a former staffer. The chair at the time, Mayor Jim Hill, reacted swiftly and got police involved. <https://calcoastnews.com/2015/03/exclusive-former-sanitation-plant-manager-tied-to-racially-charged-emails/>

Later that year, when Jeff Edwards (exercising his 1st Amendment right to free speech that is also protected by the Brown Act) metaphorically spoke at the podium about your then District Administrator, Rick Sweet, going "off the reservation" as his bias towards Oceano CSD continuing to inequitably bill your district customers, when (then) Director Lucey shot back from the dais. Then, Vice-Chair Shoals, presided over that meeting and allowed Ms. Lucey to ramble on about her Native American heritage and her being born on a reservation, then allowed her to call Mr. Edwards a "bigot." <https://calcoastnews.com/2015/07/south-county-billing-dispute-erupts-with-allegation-of-racism/>

Ms. Lucey's December 15th letter suggests that Mr. Hubner has been defamed by the CalCoastNews December 4, 2016 headline, "Sanitation district administrator accused of racism" <https://calcoastnews.com/2016/12/sanitation-district-administrator-accused-racism/>, and wants the board to make some further statement in Hubner's defense. But, Lucey fails to find the irony that it was she that defamed the district's Superintendent, John Clemons, a black man, when she went online <https://www.slotruth.org/2016/09/16/jim-hill-new-town-same-old-tricks/> misrepresented facts reflecting poorly on Clemons and Mayor Hill. In my opinion, this article triggered the whole mess that became an investigation of Hubner and how he treats Clemons. Let me remind you that I was one of three citizens who were contacted by the investigator from Liebert, Cassidy and Whitmore. She suggests, "The damage done to this man's reputation, along with the time and money wasted on this is despicable." Again, I have to opine, it was she who set the wheels of this investigation in motion with her defamation of both Clemons and Hill. She even went so far as to suggest that since Clemons was a candidate for the Oceano CSD that his employment/personnel matters were now open to the public.

Lucey also suggests the article on CalCoastNews, "publicity is doing damage to the district and it's [sic] reputation in the business world." She wants the "Board come out and show support for this Administrator...", yet it was perfectly OK for her to defame Clemons and Hill and call Edwards a "Bigot". At the December 7 meeting she stated that she will

“never apologize” for her opinion piece and further defamed Clemons and Ms. Simpson by suggesting their personal relationship was compromising their professional relationship and the district needed to have the unpermitted trailer for that reason. This was an assertion she had also made when the budget discussion included offsite offices. To my knowledge, Clemons and Simpsons personal relationship has had no bearing on matters of the district.

Lucey’s letter is written using a mix of the words “I” and “we” throughout and signs “and the residents of Oceano.” She also says, “Many in the community of Oceano have been paying close attention to the operations of the Sanitation District since the flood of 2010.” Since 2010 the minutes of the meetings reflect very few members of the Oceano community actually participate in SSLOCSD meetings. Most of their interest has related to the homeless encampments in and around the district’s property and early this year a few attended the meeting that identified delinquent Oceano accounts, including two of hers.

Your board stated “The District takes all complaints of discrimination very seriously. Discrimination on the basis of any legally protected status not only violates the law but also violates the District policy and undermines efficient operations. Therefore attorneys for the District commissioned an independent investigation of complaints of discrimination presented to the District. There have been no sustained complaints of discrimination.” This statement suffices and fulfills Lucey’s request. The real question is when will she retract her statements against Edwards, Clemons and Hill?

Thank you for your consideration of these important facts.

Julie Tacker

Amy Simpson

From: Lindsey Westbrook <lindseywestbrooks@gmail.com>
Sent: Tuesday, December 20, 2016 12:14 PM
To: Amy Simpson
Subject: Board pack 12/21/2016

December 19, 2016

To: South County Sanitation District Board of Directors:
Chairman, Mayor Shoals, Grover Beach
Director: Mayor Hill, Arroyo Grande
Director: Linda Austin, Oceano Community Service District

Dear Directors,

I request this correspondence be included in your board packet for December 21, 2016 and to

please have it verbally read into the record.

Many in the community of Oceano have been paying close attention to the operations of the

Sanitation District since the flood of 2010.

After a long and costly investigation by The State of California, and after several years of litigation

it is beeing brought to closure.

For the past few years after the abuse of power from John Wallace at South County Sanitary had begun to heal. Until the hiring of Hubner in early April 2016.

I am speaking up today against Hubner. It is imperative that we maintain the highest standards of the plant and Hubner falls well below those standards.

Since he has become administrator multiple employee complaints have been filed against Hubner. He has proven that he is unable to effectively manage even the smallest of staff at our plant. He has continually shown his inability to manage and is putting South County Sanitary in jeopardy of legal troubles. His administrative costs are skyrocketing. I would hope with the employment of a full-time administrator that he would be able to affectively supervise and run projects. He has failed to do so.

I have a voice. I demand that the best qualified person with the most experience oversee ALL plant operations. Hubner is not that person.

I would like to see the Board come out and terminate his contract as administrator. At minimum I ask

that the Board as a whole give him direction, under the guidance of the chairperson of the Board on how to effectively manage staff and improve morale while cutting back on cost of hiring outside consultants. As a full-time administrator Hubner should be able to conduct these small projects (like writing a newsletter) and not incur these additional costs to our district.

My wish is that Hubner would use his most qualified staff to operate the plant. Listen to their advice and learn to properly manage staff without leaving the district open to lawsuits.

In closing I would like to add that this District needs professionalism Hubner has been unable to show his ability to have any. I also find it troubling that one of the boards past representatives Mary Lucey feels that she can write the board sleek as though she spells for all Oceanans. I assure you she does not!

Thank you for your time.

Respectfully submitted,

Lindsey Westbrook
A resident of Oceano

Amy Simpson

From: South San Luis Obispo County Sanitation District <sslocsd@sslocsd.org>
Sent: Tuesday, December 20, 2016 10:22 AM
To: Gerhardt Hubner; Amy Simpson; jess04811@gmail.com
Subject: Contact Form submission from sslocsd.org

Name

Kris Victorine

Email

KrisA500@aol.com

Subject

Response to Mary Lucy Letter to the Board

Message

December 20, 2016
Reference: Mary Lucy's letter dated December 15, 2016

South San Luis Obispo County Sanitary District
1600 Aloha Place
Oceano, CA 93445

Dear SSLOCSD Board of Directors,

Please include this correspondence in the December 21, 2016 board packet and also read into the record.

I first want to make it clear that, as a resident of Oceano, Mary Lucy does not speak for me. If she, in fact, is speaking for any Oceano residents, their names should have been noted in the correspondence.

First, I would like to note that accusations of racism should always be taken seriously and investigated; everyone deserves a voice. If the complaints were, indeed, determined to be 'false accusations' and a personal attack on Mr. Hubner, I believe the investigation and Mr. Shoals comments after closed session would have been harsher. The Board stated that "There was no sustainable proof of discrimination," not that the complaints were completely unsubstantiated. I have concerns about the 'leadership climate' at the plant.

Second, I am very concerned about the fiscal stewardship of Mr. Hubner. The cost of running the plant is increasing. I would like to see the cost/benefit justification for the increases. I have been paying attention to the operations of the Sanitation District, like Mary Lucy stated, however, I'm sorry to say, not enough attention. I will rectify that.

Lastly, the Board does not owe Mr. Hubner an apology. They did their job; they took employee complaints seriously and responded appropriately to the investigation results.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Grover Beach City Hall Chambers
154 South 8th Street,
Grover Beach, CA

Minutes of the Meeting of Wednesday January 04, 2017
6:00 P.M.

1. CALL. TO ORDER AND ROLL CALL

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

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

2. FLAG SALUTE

3. AGENDA REVIEW

Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened public comment period.

Julie Tacker requested the Board have a discussion on postcard that was delivered to the island residents regarding the Redundancy Project.

Patty Welsh apologized to Mr. Hubner for previous comments she has made.

Ron Arnoldsen asked the Chairman to be more transparent.

Shirley Gibson encourages the Board to make sure the audience is respectful.

Chairman Shoals closed public comment.

Direction was given to update the postcard and notify the Board of the update in the next District Administrator Report.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of December 21, 2016

5B. Approval of Warrants

5C. Financial Review at November 30, 2016

5D. Surplus List

Director Hill asked to remove the minutes of December 21, 2016 from Consent Agenda.

Chairman Shoals opened public comment period.

Julie Tacker commented on the Liebert, Cassidy, Whitmore warrant and spoke to a Public Record Request she had made.

Chairman Shoals closed the comment period.

Administrator Hubner clarified that he had responded to the record request of Ms. Tacker and had provided her with his gross salary and benefits provided.

Motion: Chairman Shoals made a motion to approve the Consent Agenda Items 5B, 5C and 5D.

Second: Director Austin

Action: Approved unanimously by roll call vote.

5A. Approval of Minutes of Meeting of December 21, 2016

The Board had a discussion of the minutes of December 21, 2016. They spoke to the time frame of bringing back the job description of Operator III and the asked the minutes be amended to include the names of individuals who also submitted letters in response to the letter submitted by Ms. Lucey.

Chairman Shoals opened the public comment period.

Julie Tacker, Ron Arnoldsen and Patricia Price gave comment in favor of amending the minutes.

Chairman Shoals closed the comment period.

Motion: Director Hill made a motion to table the minutes of December 21, 2016 until the amendments are made.

Second: Director Austin

Action: Approved unanimously by voice vote.

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner provided updates on Cherry Ave Bridge Project, Grit Removal Project, Mechanical Bar Screen, Secondary Process Redundancy Project, District Control Building and Office, Regional Efforts, and Strategic Planning Initiative.

Plant Superintendent reported on effluent plant data, operational maintenance, training and storm preparedness.

Chairman Shoals opened public comment period.

Julie Tacker, Patty Welsh and Ron Arnoldsen commented on District Administrator and Plant Superintendent's Report.

Chairman Shoals closed public comment.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. RECYCLED WATER FACILITIES PLANNING STUDY (STUDY)

Administrator Hubner and Dan Heimel of Water Systems Consulting presented this item in power point, giving background and a summary of the Study's findings.

Chairman Shoals opened the item to public comment.

Brad Snook, Julie Tacker and Ron Arnoldsen gave comment on this item.

Motion: Director Hill made a motion to direct staff to submit the Study by WSC with the changes/edits provided, to the State Water Resources Control Board Division of Financial Assistance per the District's obligations under the grant agreement.

Second: Director Austin

Action: Approved unanimously by voice vote.

7. CLOSED SESSION:

CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section

54957.6. Agency designated representative: District Administrator
Employee Organizations: Service Employees International Union (SEIU) Local 620, Non-represented Management and Non-Represented Employees.

Chairman Shoals opened the public comment period.

Julie Tacker and Shirley Gibson commented on this item.

Chairman Shoals closed the comment period

The Board went into Closed Session at 8 p.m.

8. REPORT OUT OF CLOSED SESSION

Legal Counsel stated no reportable action out of closed session.

9. ADJOURNMENT

This meeting adjourned at approximately 8:45 pm.

The next regularly scheduled Board meeting on January 18th, 2017, 6 pm at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433

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

Grover Beach City Hall Chambers
154 South 8th Street,
Grover Beach, CA

Minutes of the Meeting of Wednesday February 01, 2017
6:00 P.M.

1. CALL. TO ORDER AND ROLL CALL

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

District Staff in Attendance: John Clemons, Plant Superintendent; Gerhardt Hubner, District Administrator; Gilbert Trujillo, District Legal Counsel

2. FLAG SALUTE

3. AGENDA REVIEW

Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened public comment period.

Julie Tacker asked that the audio tapes be added to the website, she commented on the Liebert Cassidy Whitmore contract execution dates.

Patty Welsh read a letter and distributed a handout to the Chairman. She accused Director Hill of violating confidentiality of Closed Session.

Shirley Gibson asked Board to not go back on Past Management Review and let the District Attorney handle it. She commented on the Arroyo Grande City meeting and Superintendent John Clemons participating in public comment. She wishes success to this Board.

Ron Arnoldsen asked the Board to quit the sniping and move forward on the projects.

Chairman Shoals closed public comment.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of December 21, 2016

5B. Approval of Minutes of Meeting of January 04, 2017

5C. Approval of Warrants

5D. Financial Review at December 31, 2016

Director Hill asked to remove Items 5A and 5B from Consent Agenda.

Chairman Shoals opened public comment period on Items 5C and 5D.

Julie Tacker commented on the legal bills, the Jessica Matson warrant, and asked for a midyear budget review.

Chairman Shoals closed the comment period.

Motion: Director Austin made a motion to approve Items 5C and 5D.

Second: Director Hill seconded the motion noting the high cost of the legal bills.

Action: Approved unanimously by voice vote

5A. Approval of Minutes of Meeting of December 21, 2016

5B. Approval of Minutes of Meeting of January 04, 2017

Director Hill led the Board in a brief discussion on the minutes of December 21, 2016. He read from the minutes, "A majority of the Board did not direct staff to expedite the schedule for updating the PPM and job descriptions, rather to follow the schedule contained in the adopted Resolution on the subject." He stated this is accurate in the aggregate, but not the Operator III job description. He also requested staff follow Board direction given at the meeting of January 04 and attach the letters submitted at the meeting of December 21, 2016 in response to Ms. Lucey's letter which was included in the Board Packet. He restated that the minutes of the January 04, 2017 there was direction to attach the names and the letters submitted.

Legal Counsel Trujillo recommended that if you attach one letter, you should attach all letters received, or do not attach any letters and refer to any letters received in the minutes, which is a common practice among public agencies.

District Administrator Hubner provided background and experience from other agencies, and appropriateness (they don't) of attaching letters received at a meeting to the minutes.

Chairman Shoals opened the public comment period.

Julie Tacker gave comment requested that both minutes be tabled until the letters are attached per the direction given at the last meeting.

Chairman Shoals closed the comment period.

Motion: Director Hill moved to table these two items until the copies of the letters as requested are attached.

Second: Director Shoals

Action: Approved unanimously by roll call vote.

Chairman Shoals gave direction to attach the subject letters to the draft minutes and have a discussion going forward at the next meeting about the practice and appropriateness of attaching letters to these minutes and future minutes.

6. ACTION ITEMS:

6A. PROPOSAL TO INSTALL NEW FLOORING AT THE DISTRICT'S ADMINISTRATION/CONTROL BUILDING

The Board had a discussion on flooring options for the District. Director Hill recommended getting a quote for an epoxy putty on the floor as a covering.

Chairman Shoals opened the item to public comment.

Patty Welsh, Ron Holt, Julie Tacker and Ron Arnoldsen gave comment on this item.

Chairman Shoals closed the public comment period.

Motion: Director Austin made a motion to authorize the District Administrator to enter into an agreement not to exceed \$35,000 with one of two vendors for installation of new tile flooring in the District's Operations Building.

Second: Director Shoals

Action: Approved unanimously by roll call vote.

6B. PURCHASE OF REPLACEMENT DIESEL FUEL TANK

Chairman Shoals opened the item to public comment.

Motion: Director Hill made a motion to approve purchase of a replacement 2,000 gallon Mosier Brothers diesel fuel tank from JB Dewar for \$12,375.

Second: Director Austin

Action: Approved unanimously by voice vote.

7. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner provided updates on major capital projects and studies, Regional Collaborative Efforts, and Strategic Planning Initiative.

Plant Superintendent reported on effluent plant data, operational maintenance, training and storm preparedness.

Chairman Shoals opened public comment period.

Julie Tacker, Patty Welsh and Ron Arnoldsen commented on District Administrator and Plant Superintendent's Report.

Chairman Shoals closed public comment.

Action: The Board received and filed this report.

8. ADJOURNMENT

This meeting adjourned at 7:45 pm.

The next regularly scheduled Board meeting on February 15, 2017, 6 pm at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433

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

DRAFT



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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STAFF REPORT

Date: February 15, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **CALENDAR YEAR 2016 ANNUAL REPORT TO CENTRAL COAST
REGIONAL WATER QUALITY CONTROL BOARD (CCRWQCB)**

RECOMMENDATIONS:

Receive and File the District's Annual Report to the Central Coast Regional Water Quality Control Board

BACKGROUND

Each year the District is required to submit an Annual Report to the Central Coast Regional Water Quality Control Board. This Annual Report is required under the National Pollutant Discharge Elimination System (NPDES) Permit issued to the District by the CCRWQCB. The NPDES Permit (Permit No. R3-2009-0046/CA0048003) for the District was last reissued in 2009, and the Permit is currently under Administrative Extension (through submittal of a Report of Waste Discharge or ROWD in 2014). Per the NPDES Permit the Annual Report is due to the CCRWQCB by February 1st of each year.

DISCUSSION

This year District staff prepared and submitted to the CCRWQCB an Executive Summary (attached) along with our regular Annual Report per the deadline in our NPDES Permit. The Executive Summary provides highlights and updates on the District's Projects and Programs this past Calendar Year as noted in the bulleted list below:

- Projects Initiated and Completed in Calendar Year 2016
- Wastewater Flows
- Key Performance Indicators
- Permit/Effluent Violations
- Collections System
- Personnel
- Administration

- Permit Compliance

The Annual Report (in addition to the Executive Summary) also includes water quality monitoring data (effluent and receiving water), compliance record, operator certifications, discussion of the Operations & Maintenance manual, discussion of the pretreatment program, District laboratory certification, bio-solids program and the District's brine waste program.

Staff believes the addition of the Executive Summary provides the Board, regulators and the public with a more comprehensive look at the variety of activities, projects, programs, and accomplishments completed by the Board and staff in Calendar Year 2016. We look forward to receiving your feedback and input on this Executive Summary, to better the 2017 Calendar Annual Report.

ATTACHMENT: Annual Report Executive Summary



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EXECUTIVE SUMMARY

**ANNUAL REPORT
TO
CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD**

Each year the South San Luis Obispo Sanitation District (District) is required to submit an Annual Report to the Central Coast Regional Water Quality Control Board. This Annual Report is required under the National Pollutant Discharge Elimination System (NPDES) permit issued to the District. The NPDES permit (Permit No. R3-2009-0046/CA0048003) for the District was last reissued in 2009, and the permit is currently under Administrative Extension (through submittal of a Report of Waste Discharge or ROWD in 2014). The Annual Report (Report) includes water quality monitoring data (effluent and receiving water), compliance record, operator certifications, discussion of the Operations & Maintenance manual, discussion of the pretreatment program, District laboratory certification, bio-solids program and the District's brine waste program. Per the NPDES Permit the Report is due by February 1 of each year.

In 2016, the District initiated a number of major projects aimed at shoring up plant and collections system reliability. Projects initiated this past year:

- Secondary Process Improvements/Redundancy Project – Award of design contract to Kennedy Jenks, completion of CEQA MDN Addendum and submittal of Coastal Development Permit (CDP) Application to Coastal Commission.
- Mechanical Bar Screen – Completion of Design, CEQA and award of contract.
- Cherry Ave Sewer Bridge in City of Arroyo Grande, Anti-Corrosion – Completion of CEQA and initiation of permitting.
- Implementation of GIS system – Installation
- FFR emergency back-up system – Completed construction

In 2016, the District also completed a number of projects aimed at efficiency improvements. These projects included:

- Grit Removal System – Complete and Operational
- Phase 2 of SCADA System - Installed
- Leaking sewer line near the headworks - Installed
- Sanitary Sewer Overflow water level monitors in District sewer trunk lines - Installed
- Replaced process water disinfection control system

Wastewater Flows

The average daily flow for 2016 was 2.23 million gallons per day (MGD). This value was the second lowest since Calendar Year 2000. To place this in perspective, a flow of 2.23 MGD is nearly 700,000 gallons per day less than the annual average daily flow for Calendar Year 2004. This is a significant decrease in wastewater flow to the District's facility over a 12-year period. This decrease may be attributed to a number of factors, but is primarily due to the drought and water conservation efforts among District customers. Nevertheless, the lower wastewater flow rates, combined with increased population of our member agencies, has resulted in increased waste concentrations (loading) in the wastewater received at the District's wastewater treatment plant. In fact, measured biochemical oxygen demand and total suspended solids values were 80 percent higher than original plant design specifications.

Key Performance Indicators

Biochemical oxygen demand (BOD) loadings were the highest in the past 16 years at 448 milligrams per liter (mg/L). Total suspended solids (TSS) loadings were the second highest since Calendar Year 2000 at 431 mg/L. Plant treatment processes continued to perform well, with percentage removals of 93% for BOD and 92% for TSS.

At the District's facility, chlorine is used to disinfect the final effluent. The amount of chlorine used to disinfect the process water can be a good indicator of the effectiveness of the primary and secondary treatment processes. Daily chlorine usage for the 2016 averaged 207 lbs. per day. This is slightly higher than the past two years, but well below the 956 lbs. per day that were being used in Calendar Year 2010.

Fecal coliform average monthly values for Calendar Year 2016 were 27 MPN/100 mL. By comparison the effluent limitations for fecal coliform as stated in the permit are 200 MPN/100 ml (average weekly).

Permit/Effluent Violations

Permit effluent limitations were violated on two occasions during Calendar Year 2016.

In May of 2016, a TSS average monthly value of 44mg/L was reported, which exceeded the average monthly

In June 2016, a TSS average monthly value of 45mg/L was reported, which exceeded the average monthly effluent limitation TSS effluent limitation of 40mg/L.

Collections System

In Calendar Year 2016, there were no reported or observed sewer system overflows (SSO or spills) in the District collection system. This past year the District did add two liquid level warning systems in its sewer trunk lines. We also added a flow meter to help monitor any inflow and/or infiltration within the collections system.

Personnel

The District currently employs nine full time staff members and one part time maintenance assistant. Staff consists of a District Administrator, a Superintendent/Chief Plant Operator, a Bookkeeper/Secretary, a laboratory analyst/operator, and five full time operations, collections, and maintenance personnel.

The District added the position of full time District Administrator during Calendar Year 2016. Previous to this year, the District Administrator had been a part time contract

position. This past year the District's Lab Analyst was selected as "Lab Person of the Year" by the California Water Environment Association, Tri-Counties Section.

Currently one staff member holds a Grade IV SWRCB Wastewater Treatment Plant Operator Certificate, four staff members hold Grade III Operator Certifications, one staff member holds a Grade II Operator Certification, and one staff member holds a Grade I Operator Certification.

Administration

In Calendar Year 2016, the District completed the following:

- Proposition 218 wastewater rate increase. The purpose of the rate increases is to keep up with the rising cost of providing wastewater treatment services, and to fund the Secondary Process Improvement/Redundancy Project.
- Review of past management practices at the District. This review was conducted by an independent investigator to review past District management practices and apply lessons learned to future District planning, fiscal and management practices.
- Billing services for its customers in the Oceano Community Services District (OCSD) were transitioned to the San Luis Obispo County Tax Roll. Previously, OCSD provided billing services on behalf of the District customers within its jurisdiction. Previously, the District provided direct billing services for its customers to the Oceano community from May of 2015 thru June 30, 2016. Agreements with Cities of Grover Beach and Arroyo Grande to continue billing reached.
- 2010 Spill and ACL: \$1.2 million settlement with Central Coast Regional Water Quality Control Board over 2010 Spill. Half of penalty (\$550,000) allowed to fund regional, local and District projects.
- Adopted Budget for Fiscal Year 2016-2017. Significant capital projects and expenditures included in balanced budget. Project budget tracking initiated.
- Quarterly Budget Updates to Board.
- Ongoing Internal Fiscal Controls – Review and made ongoing improvements to District's internal accounting and fiscal system.
- Reserve Policy adopted and implemented.
- Purchasing and Procurement Policy. Update District's 2013 Purchasing and Procedures for Procurement Policy.
- Annual Audit for Fiscal Year 2015-2016 initiated with new auditor.
- Contract Management – All contracts renewal updated, or renewed. Several that were not under contract were placed under contract.
- Established a District Role as a Leading Voice for South San Luis Obispo County regarding future efforts for wastewater reclamation.

- Agencies Relationships – Reestablished professional network and created new working relationships with various stakeholders in SLO County including cities, county, state, community service districts, consultants and community.
- SWRCB Water Recycling Facilities Planning Grant Study - Draft Study completed.
- Public Outreach – Created and distributed newsletter, first since 2013. Press release on 2010 Spill Settlement, and redundancy flyer (postcard) released.
- Upgraded/Comprehensive Overhaul of Website completed.
- Information Technology Initiative:
 - Retained new IT consultant services through Agreement. IT provider provides better service at comparable price.
 - District File Redundancy and Backup. Purchased and IT provider installed backup server, July 2016. Backup of District files occurs on a regular basis now.
- Human Resources:
 - Employee Retirement Health Benefit Liability. Completed OPEG Fiscal Accrual report and present to Board with options to minimize future liability.
 - Personnel Policy Manual Update. In the processing of comprehensively updating the District's Manual.

Permit Compliance

RWQCB staff conducted a routine inspection of the District's WWTP in late June in 2016. No major deficiencies were noted, with several recommendations made for improvement.

Permit and Certificate Renewals:

- Permit to Operate from the Air Pollution Control District (APCD).
- Hazardous Materials Handling Permit from the San Luis Obispo County Department of Environmental Health. The wastewater treatment facility was inspected, deficiencies were noted and corrected.
- Renewal of our laboratory's Certificate of Environmental Accreditation from the California State Environmental Laboratory Accreditation Program



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STAFF REPORT

Date: February 15, 2017
To: Board of Directors
From: Gerhard Hubner, District Administrator
Subject: **CONTRACT WITH REGIONAL GOVERNMENT SERVICES FOR HUMAN
RESOURCES PROFESSIONAL SERVICES**

RECOMMENDATIONS:

Consider and approve a contract with Regional Government Services (RGS) to provide Human Resources Professional Services for the District.

BACKGROUND

The past several months, District staff has worked towards soliciting proposals and negotiating a contract with the intent towards replacing our current Human Resource Consultant. Our current Human Resource Consultant, Lara HR Services is close to completing work on several projects for the District, including a comprehensive overhaul of the Personnel Policy Manual and job descriptions, draft Employee/Employer Resolution, and draft MOU to assist with upcoming discussions with SEIU union. Nevertheless, upon completion of these projects in the next several months, the District will not have a human resource professional consultant to provide and assist us with future and ongoing project and human resource specific needs.

Towards that end, District staff prepared and sent out a Request for Qualifications (RFQ) for a human resources professional services back in December 2016 (Attachment No. 1). This RFQ was distributed to numerous agencies and individuals throughout the state, within San Luis Obispo County, and several local human resource associations. District staff also personally delivered the RFQ, and spoke with a local firm in the City of San Luis Obispo. Several firms responded by formally declining, and the rest did not respond. One firm, Regional Government Services (RGS), provided a formal written proposal to the District.

DISCUSSION

Per the description in their proposal: *"Regional Government Services is a Joint Powers Authority established in 2001 to serve the needs of cities, counties, specials districts and other governmental entities throughout California"*. RGS comes with broad range of human resource experience and support services including: general human resource assistance, health benefit, policy and procedure development, classification and compensation administration, performance

management, labor relations, training, recruitment/employment selection, risk management and payroll review.

Since receiving RGS's initial proposal, District staff have conducted and completed a reference check, consulted with our current HR provider for advice on the RGS proposal, and entered into a series of discussions on scope of services with RGS. Note, RGS also provides human resource professional service and assistance to at least two sanitary districts in California. Finally, District Counsel engaged RGS on their proposed contract/agreement and after revisions, a contract/agreement (Attachment No. 2) was mutually agreed to.

To identify current and future human resource needs we drafted and are providing below a prioritized estimated list, by Fiscal Year, of services we believe will be needed for the remainder of FY 2016-17 and FY 2017-18. We believe RGS is qualified to assist with each one of them.

General HR Administration and Personal Issues	Ongoing
Labor Negotiations with SEIU (To MOU Adoption including Health Benefit and Post Employment Health Plan (OPEB) proposals)	FY 16-17
Salary Compensation Survey (in conjunction with above or review SEIU proposal)	FY 16-17
Staffing Levels Study	FY 16-17
Promotional and Recruitment Process and Checklist	FY 16-17
New Hire Process, letters, and Orientation	FY 17-18
Exit Process and Interview	FY 17-18
Review and Update - Performance Evaluation System	FY 17-18
Review and Update - Performance Evaluation Form	FY 17-18
Implement OPEB (after adoption of MOU)	FY 17-18
Wellness Program	FY 17-18
Certification Pay Program (Certificate above grade; FOG; Class A)	FY 17-18
Review process for PAF updates,	FY 17-18

As a virtual government agency, RGS will provide the District human resource services through a network of geographically distributed Advisors. Ms. Sophia Selivanoff, Director of Human Resources Services for RGS will be the assigned Lead Advisor. RGS has also agreed that at least two key RGS staff from their team will be assigned to the District to provide continuity of services, and to ensure identified project specific deliverables will be met. Other Advisors will be regionally available (within driving distance) as the needs of the District require. Rates for services range from \$150 per hour (Senior Advisor) to \$65 per hour (Project Coordinator/HR Technician) depending upon the level of service and expertise needed.

Today we are recommending the Board consider and approve a contract with Regional Government Services to provide the District with future professional human resource services for ongoing and project specific District needs.

Attachments:

Request for Qualifications for Human Resources Consultant
Contract/Agreement with RGS for Human Resources Professional Service

REQUEST FOR QUALIFICATIONS – HUMAN RESOURCES CONSULTANT

The South San Luis Obispo County Sanitation District (District) supplies wastewater services for three member agencies, comprised of the cities of Arroyo Grande, Grover Beach, and the Oceano Community Services District. Each agency provides a member to the Board of Directors as the governing body. The District is comprised of 10 full-time employees. The District is seeking a consultant to assist with personnel matters as needed; it is estimated the consultant would provide less than 150 hours per year.

The consulting firm and/or individual selected through this RFQ will work with the District Administrator and/or his designee to evaluate and perform services in the following areas, including but not limited to:

Labor relations matters related to hiring, assessing, training, performance, compensation and benefits administration, including medical benefits, retirement benefits with CalPERS; employee discipline; collective bargaining contract negotiations; performing studies, analysis, or audits and review; developing policies and/or procedures in compliance with federal, state and local laws and regulations related to public employment; and assisting with implementation thereof as deemed by District.

The District is currently in the process of updating the Personnel Policy Manual, developing an Employer/Employee Relations Resolution, and will be negotiating its first Memorandum of Understanding with the newly established union, represented by SEIU Local 620.

Due to the complexity of the current policy updates, prior experience with public sector entities is highly preferred.

For parties with an interest in serving as the District's Human Resource Consultant please provide the following no later than 4 p.m., on Wednesday December 21, 2016 to Gerhard Hubner/District Administrator at 1600 Aloha Place, Oceano, CA 93445, or by email to: Gerhardt@sslcsd.us

- A description about you or your firm; identify your firm's experience with respect to assimilating the HR function and what makes your organization uniquely qualified for this role with the District.
- Describe the function, reporting relationships and locations of each person responsible for this account.
- Provide a resume of the individual who will have primary responsibility for the account. Provide a brief biography of others who will be involved on the account, with a description of the role each will play in the project and any relevant experience each has had with respect to similar projects.
- Description of the proposer's billing practice and payment terms.
- Identify three public sector clients that you have worked with that we may contact for reference purposes.

- Describe what steps your firm has taken to ensure that quality products and services are delivered?

Preamble: The agreement for services described below is also an agreement to engage in a relationship between organizations – Agency partners. In order to establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

Our Values

- Expert Services: RGS serves exclusively public sector agencies with its team of public-sector experts.
- Innovation: RGS encourages and develops innovative and sustainable services to help each Agency meet its challenges through new modes of service provision.
- Customer Driven: RGS customizes solutions to achieve the right level and right kind of service at the right time for each Agency's **unique organizational needs**.
- Perseverance: Sometimes the best solutions are not immediately apparent. RGS listens, works with you, and sticks with it until a good fit with your needs is found.
- Open Source Sharing: RGS tracks emerging best practices and shares them, learning openly **from each other's hard won experience**.
- Commitment: Government **agencies are the public's only choice for many services**. Public trust is earned and must be used wisely. And RGS will do its part. Each Agency should and **will know how RGS sets its rates**. **RGS' pledge to you is that we will act with honesty, openness, and full transparency.**

How RGS Does Business

When you work with RGS you can expect:

- RGS will strive to be explicit up front and put our understandings in writing. Before making assumptions, we hope to talk directly to prevent any misunderstandings.
- Ongoing interaction throughout our relationship to ensure that your needs are being met, and that projects progress appropriately and agreed-upon timelines are met.
- RGS is committed to honest interaction.
- When RGS employees are on your site, we expect them to treat people respectfully and be treated respectfully. If problems arise, we want to communicate early, accurately, and thoroughly to ensure that we find mutually acceptable solutions.
- As a public Agency, partnering is valued. We look out for each Agency's **interests consistent** with maintaining the public trust.
- To keep expectations realistic, it is important to understand that RGS is a governmental, joint powers authority evolving to meet changing local government needs. RGS has carefully constructed policies and procedures to allow maximum flexibility to meet your needs.

Agreement for Management and Administrative Services

This Agreement for Management Services (“Agreement”) is made and entered into as of the 23rd day of January 2017, by and between South San Luis Obispo County Sanitation District, a municipal Agency (“Agency”), and Regional Government Services Authority (RGS), a joint powers authority, (each individually a “Party” and, collectively, the “Parties”).

RECITALS

THIS AGREEMENT is entered into with reference to the following facts and circumstances:

- A. That Agency desires to engage RGS to render certain services to it;
- B. That RGS is a management and administrative services provider and is qualified to provide such services to the Agency; and
- C. That Agency has elected to engage the services of RGS upon the terms and conditions as hereinafter set forth.

TERMS AND CONDITIONS

Section 1. Services. The services to be performed by RGS under this Agreement shall include those services set forth in the attached Exhibits, which are incorporated by this reference incorporated herein and made a part hereof as though it were fully set forth herein.

- 1.1 Standard of Performance. RGS shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the types of services that RGS agrees to provide in the geographical area in which RGS operates.
- 1.2 Lead Advisor. To ensure quality and consistency for the services provided, RGS also assigns a lead advisor to Agency. The lead advisor is available to assigned RGS staff and to Agency management and will check in regularly with both to address program/project directives. Typically lead advisor time is not billed to Agency, with some exceptions where significant programmatic direction is provided.
- 1.3 Reassignment of Personnel. Assignment of personnel to provide the services described in the Exhibits is in the sole discretion of RGS. In the event that Agency, at any time during the term of this Agreement, desires the reassignment of personnel, Agency may make a request to RGS and RGS shall meet and confer in good faith to address the issue of concern, including but not limited to reassigning such person or persons.
- 1.4 Time. RGS shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance described above and to provide the services described in the Exhibits.

Section 2. Term of Agreement and Termination. Services shall commence on or about January 23, 2017, and this Agreement is anticipated to remain in force to June 30, 2017, at which time services may continue on a month-to-month basis until one party **terminates the Agreement, or if Exhibit A contains a “not to exceed” amount**, until that amount of charges has been reached, at which point the parties shall either amend or terminate this Agreement. This Agreement may be terminated by either Party, with or without cause, upon 30 **days’** written notice. Agency has the sole discretion to determine if the services performed by RGS are satisfactory to the Agency which determination shall be made in good faith. If Agency determines that the services performed by RGS are not satisfactory, Agency may terminate this Agreement by giving written notice to RGS. Upon receipt of notice of termination by either Party, RGS shall cease performing duties on behalf of Agency on the termination date specified and the compensation payable to RGS shall include only the period for which services have been performed by RGS.

Section 3. Compensation. Payment under this Agreement shall be as provided in the Exhibits.

Section 4. Effective Date. This Agreement shall become effective on the date first herein above written.

Section 5. Relationship of Parties.

- 5.1 It is understood that the relationship of RGS to Agency is that of an independent contractor and all persons working for or under the direction of RGS are its agents or employees and not agents or employees of Agency. Agency and RGS shall, at all times, treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of Agency. Agency shall have **the right to control RGS only insofar as the results of RGS’ services rendered** pursuant to this Agreement.
- 5.2 RGS shall provide services under this Agreement through one or more employees of RGS qualified to perform services contracted for by Agency. The positions of RGS staff who will coordinate services to the Agency are indicated in the Exhibits. The Executive Director or assigned supervising RGS staff will consult with Agency on an as-needed basis to assure that the services to be performed are meeting **Agency’s objectives.**
- 5.3 Agency shall not have the ability to direct how services are to be performed, specify the location where services are to be performed, or establish set hours or days for performance of services, except as set forth in the Exhibits.
- 5.4 Agency shall not have any right to discharge any employee of RGS from employment.
- 5.5 RGS shall, at its sole expense, supply for its employees providing services to Agency **pursuant to this Agreement any and all benefits, such as worker’s compensation,** disability insurance, vacation pay, sick pay, or retirement benefits; obtain and maintain all licenses and permits usual or necessary for performing the services; pay any and all taxes incurred as a result of the employee(s) compensation, including employment or other taxes; and provide Agency with proof of payment of taxes on demand.

- 5.6 The work performed under this Agreement is part time in nature. **RGS' services are not a part of the Sanitation District's regular wastewater treatment plant operations**, but rather are specified, specialized human resources tasks. RGS, and not the District, shall supply all tools, equipment, office space and materials needed to perform the services set forth herein. Agency shall have no responsibility to provide any training to RGS' employees.

Section 6. Loss Occurrence Coverage. RGS is self-insured and maintains loss occurrence coverage through its membership in the **Municipal Insurance Cooperative ("MIC")**, a California Joint Powers Authority, which is a risk purchasing joint powers authority. Consistent with sections 990.4 and 990.8 of the Government Code, the MIC provides coverage to RGS, in excess of its member retained limit, against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by RGS and its agents, representatives, employees, and subcontractors.

6.1 **Workers' Compensation Coverage.**

6.1.1 General requirements. RGS shall, at its sole cost and expense, maintain **Workers' Compensation coverage and Employer's Liability** coverage with limits of not less than \$1,000,000.00 per occurrence.

6.1.2 Waiver of subrogation. **The Workers' Compensation coverage shall be** endorsed with or include a waiver of subrogation in favor of Agency for all work performed by RGS, its employees, agents, and subcontractors.

6.2 Commercial General, Automobile, and Professional Liability Coverages.

6.2.1 General requirements. RGS, at its own cost and expense, shall maintain commercial general and automobile liability coverage for the term of this Agreement in an amount not less than \$2,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. RGS shall additionally maintain commercial general liability coverage in an amount not less than \$2,000,000 aggregated for bodily injury, personal injury, and property damage.

6.2.2 Minimum scope of coverage. The MIC Memorandum of Coverage (MOC) is not written on ISO forms but provides coverage at least as broad as the latest version of the following: (A) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); and (B) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 001, code 1 (any auto).

6.3 Professional Liability Insurance. RGS, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability coverage for licensed professionals performing work pursuant to this Agreement in an **amount not less than \$2,000,000 covering the licensed professionals' errors and omissions.**

6.4 All Policies Requirements.

- 6.4.1 Coverage requirements. Each of the following shall be included in the coverage or added as an endorsement:
- Agency and its officers, employees, agents, and volunteers shall be **covered as additional covered parties with respect to RGS' general commercial, and automobile coverage for claims, demands, and causes of action arising out of or relating to RGS' performance of this Agreement and to the extent caused by RGS' negligent act, error, or omission.**
 - An endorsement to RGS' general commercial, and automobile coverages** must state that coverage is primary with respect to Agency and its officers, officials, employees and volunteers.
 - All coverages shall be on an occurrence or an accident basis, and not on a claims-made basis.
- 6.4.2 Acceptability of coverage providers. All coverages required by this section shall be acquired through providers with a Bests' rating of no less than A: VII or through sources that provide an equivalent level of reliability.
- 6.4.3 Verification of coverage. Prior to beginning any work under this Agreement, RGS shall furnish Agency with notifications of coverage and with original endorsements effecting coverage required herein. The notifications and endorsements are to be signed by a person authorized by the Municipal Insurance Cooperative to bind coverage on its behalf. Agency reserves the right to require complete, certified copies of all Memorandums of Coverage at any time.
- 6.4.4 Subcontractors. RGS shall include all subcontractors as insureds under its coverage or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 6.4.5 Variation. During the term of this agreement, RGS may change the insurance program in which it participates. RGS will provide reasonable notice of any such change to Agency and replacement copies of Certificates of Coverage and endorsements.
- 6.4.6 Deductibles and Self-Insured Retentions. RGS shall disclose any self-insured retention if Agency so requests prior to performing services under this Agreement or within a reasonable period of time of a request by Agency during the term of this Agreement.
- 6.4.7 Maintenance of Coverages. The coverages stated herein shall be maintained throughout the term of this Agreement and proof of coverage shall be available for inspection by Agency upon request.
- 6.4.8 Notice of Cancellation or Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, RGS shall provide written notice to Agency at

RGS earliest possible opportunity and in no case later than five days after RGS is notified of the change in coverage.

Section 7. Legal Requirements.

- 7.1 Governing Law. The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws. RGS and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Reporting Requirements. If there is a statutory or other legal requirement for RGS to report information to another government entity, RGS shall be responsible for complying with such requirements.
- 7.4 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, RGS and any subcontractors shall comply with all applicable rules and regulations to which Agency is bound by the terms of such fiscal assistance program.
- 7.5 Licenses and Permits. RGS represents and warrants to Agency that RGS and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to provide the services contemplated by this Agreement. RGS represents and warrants to Agency that RGS and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.
- 7.6 Nondiscrimination and Equal Opportunity. RGS shall not discriminate, on **the basis of a person's race, religion, color, national origin, age, physical or mental** handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided under this Agreement. RGS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

Section 8. Keeping and Status of Records.

- 8.1 **Records Created as Part of RGS' Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that RGS prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of Agency. RGS hereby agrees to deliver those documents to Agency upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for Agency and are not necessarily suitable for any future or other use. In the event the Sanitation

District receives public records requests for District records in RGS' possession, RGS will cooperate with the District in responding to the requests as required by law.

8.2 Confidential Information. RGS shall hold any confidential information received from Agency in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, RGS shall return materials which contain any confidential information to Agency. For purposes of this paragraph, confidential information is defined as all information disclosed to RGS which relates to Agency past, present, and future activities, as well as activities under this Agreement, which information is not otherwise of public record under California law. Agency shall notify RGS what information and documents are confidential and thus subject to this section 8.2.

8.3 RGS Books and Records. RGS shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Agency under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment under this Agreement.

8.4 Inspection and Audit of Records. Any records or documents that Section 8.3 of this Agreement requires RGS to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds \$10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency, for a period of three years after final payment under the Agreement.

Section 9. Non-assignment. This Agreement is not assignable either in whole or in part without the written consent of the other party.

Section 10. Amendments. This Agreement may be amended or modified only by written Agreement signed by both Parties.

Section 11. Validity. The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

Section 12. Disputes. Should any dispute arise out of this Agreement, Agency agrees that it shall only file a legal action against RGS, and shall not file any legal action against any of the public entities that are members of RGS.

Section 13. Governing Law/Attorneys' Fees. This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in San Luis Obispo County, California. In the event of litigation between the Parties hereto to enforce any provision of the Agreement, the prevailing Party shall be entitled to and costs of litigation, but each Party shall bear its own attorney fees.

Section 14. Mediation. Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement and each Party shall bear its own legal costs.

Section 15. Employment Offers to RGS Staff. Should Agency desire to offer permanent or temporary employment to an RGS employee who is either currently providing RGS services to Agency or has provided RGS services to Agency within the previous six months, said Agency will be charged a fee equal to the full-time cost of the RGS employee for one month, using the most recent RGS bill rate for the RGS employee's services to Agency. **This fee is to recover RGS' expenses in recruiting the former and replacement RGS staff.** RGS may agree in writing to waive the fee required by this section. If RGS agrees to waive the fee required by this section and (1) CalPERS determines that the RGS employee hired by Agency was a common-law employee of Agency and should have been enrolled as an employee of Agency while providing services pursuant to this Agreement; (2) CalPERS determines that a payment is required as part of enrolling the employee for the time that the employee provided services pursuant to this Agreement (the "payment"); and (3) neither RGS nor Agency challenges those determinations or the payment is upheld in a final administrative appeal or court decision, then Agency shall contribute an amount equal to the fee waived by RGS toward the payment. If the amount of the payment is less than the fee, then Agency shall make the payment. If the amount of the payment is more than the fee, RGS shall pay the difference. In the event that the payment is a liability covered by Section 17.3 of this Agreement, this Section shall apply up to the amount of the payment and Section 17.3 shall apply to any CalPERS-related covered liability other than or in excess of the payment.

Section 16. Entire Agreement. This Agreement, including the Exhibits, comprises the entire Agreement.

Section 17. Indemnification.

17.1 RGS' indemnity obligations.

RGS shall indemnify, defend, and hold harmless Agency and its legislative body, **boards and commissions, officers, and employees ("Indemnitees") from and against all claims, demands, and causes of action by third parties, including but not limited to attorneys' fees, arising out of RGS' performance of this Agreement, to the extent caused by RGS' or RGS' employees' negligent act, error, or omission.** Nothing herein shall be interpreted as obligating RGS to indemnify Agency against its own negligence or willful misconduct.

17.2 Agency's indemnity obligations. Agency shall indemnify, defend and hold harmless RGS and its officers, directors, employees and agents from any and all claims and lawsuits where such persons are named in the lawsuit solely because of a duty any of them performs in accordance with the services outlined in Exhibit B.

It is the intent of the parties here to define indemnity obligations that are related

to or arise out of Agency's actions as a governmental entity. Thus, Agency shall be required to indemnify and defend only under circumstances where a cause of action is stated against RGS, its employees or agents:

- a. which is unrelated to the skill they have used in the performance of the duties delegated to them under this Agreement;
- b. when the allegations in such cause of action do not suggest the active fraud or other misconduct of RGS, its employees, or agents; or
- c. where an Agency employee, if he had been acting in a like capacity, otherwise would be acting within the scope of that employment.

Whenever Agency owes a duty hereunder to indemnify RGS, its employees or agents, Agency further agrees to pay RGS a reasonable fee for all time spent by any RGS employee, or spent by any person who has performed work pursuant to this Agreement, for the purpose of preparing for or testifying in any suit, action, or legal proceeding in connection with the services the assigned employee has provided under this Agreement.

17.3 Obligations and indemnity related to CalPERS.

- a. RGS and Agency acknowledge and agree that, if Agency contracts with CalPERS for retirement benefits, it is possible that CalPERS may determine that RGS employees providing services pursuant to this Agreement are common-law employees of Agency and should be enrolled in CalPERS as employees of Agency, which possibility is the same as if Agency were contracting with a private consulting firm. Pursuant to Section 5.1 of this Agreement, Agency has an obligation to treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of Agency.
- b. In the event that CalPERS initiates an audit of Agency that includes examination of whether individuals providing services to Agency are Agency's **common**-law employees, Agency shall inform RGS within five days and share all communications and documents from CalPERS that it may legally share. Agency and RGS shall cooperate to determine the manner of responding to the inquiry and what, if any, documents to provide. Agency agrees not to ask RGS employees for personally identifying information
- c. **In the event that CalPERS' preliminary determination is that one or more** RGS employees are common-law employees of Agency, Agency shall promptly inform RGS and share all communications and documents from CalPERS that it may legally share. RGS and Agency shall cooperate in determining how to respond to the direction from CalPERS in its preliminary determination, including but not limited to whether and how to make any corrections described in the preliminary determination.
- d. RGS and Agency each reserves the right to file an administrative appeal of a CalPERS determination that an RGS employee is a common-law employee of Agency and should be enrolled in CalPERS as an employee of Agency and to challenge such a decision in court. Agency assigns its right to file an administrative appeal of such a CalPERS determination, if Agency does not

itself file an administrative appeal. In the event that either RGS or Agency files an administrative appeal or court challenge of such a CalPERS determination, RGS and Agency each agree to cooperate with each other in pursuit of the action.

- e. Notwithstanding Section 17.1 of this Agreement, RGS and Agency shall each bear their own costs in responding to a CalPERS investigation, including but not limited to costs of an administrative appeal or court challenge. In the event that (1) CalPERS determines that an RGS employee is a common-law employee of Agency and should be enrolled as an employee of Agency; (2) CalPERS determines that a payment is required to enroll the employee as an employee of Agency; and (3) neither RGS nor Agency challenges those determinations or the payment is upheld in a final administrative appeal or **court decision, RGS' obligation for any payments to Agency for CalPERS benefits shall be limited to 50% of the employer's share of those payments** that Agency may be required to pay.

Section 18. Notices. All notices required by this Agreement shall be given to Agency and RGS in writing, by first class mail, postage prepaid, or by email transmission addressed as follows:

Agency: South San Luis Obispo County Sanitation District
1600 Aloha Place
Oceano, CA 93445

RGS: Regional Government Services Authority
P. O. Box 1350
Carmel Valley, CA 93924
Email: contracts@rgs.ca.gov

Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00 p.m. on a regular business day or else on the next business day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized on their behalf.

Signatures on Following Page

DATED: _____, 2016 Agency

By: _____
Gerhardt Hubner, District Administrator

APPROVED AS TO FORM:

DATED: _____, 2016 By: _____
Gilbert Trujillo, District Legal Counsel

DATED: _____, 2016 Regional Government Services Authority

By: _____
Richard H. Averett, Executive Director

Exhibit A

Compensation.

1. Fees. Agency agrees to pay to RGS the hourly rates set forth in the tables below for each RGS employee providing services to Agency, **which are based in part on RGS' full cost of compensation and support for the RGS employee(s) providing the services herein described.**

RGS and Agency acknowledge and agree that compensation paid by Agency to RGS under this **Agreement is based upon RGS' costs** of providing the services required hereunder, including salaries and benefits of employees. The parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities for which RGS may be obligated for its employees or may otherwise be contractually obligated.

Consequently, the parties agree that adjustments to the hourly **rate shown below for "RGS Staff"** will be made for changes to the salary and/or benefits costs provided by RGS to such employee. **On July 1 of each year, RGS' hourly bill rates will be adjusted by the percentage change in the Employment Cost Index (total compensation - not seasonally adjusted) for state and local government workers ("ECI") from March of the prior year to March of the current year.** Irrespective of the movement of the ECI, RGS will not adjust its hourly rates downward; nor will RGS adjust its hourly rates upward in excess of a two and one-half percentage (2.5%) change **excepting instances where there was no increase in the prior year's hourly rates. In that event,** RGS will adjust its hourly rates by the full percentage change in the ECI from March of the prior year to March of the current year.

2. **Reimbursement of RGS' Administrative Cost.** Agency shall reimburse RGS for overhead as part of the hourly rate specified below, and direct external costs. Support overhead costs are those expenses necessary to administering this Agreement, and are included in the hourly rate. Direct external costs, including such expenses as travel or other costs incurred for the exclusive benefit of the Agency, will be invoiced to Agency when received and without mark-up. These external costs will be due upon receipt.
3. **Terms of Payment.** **RGS shall submit invoices monthly for the prior month's services.** Invoices shall be sent approximately 10 days after the end of the month for which services were performed and are due and shall be delinquent if not paid within 30 days of receipt. Delinquent payments will be subject to a late payment carrying charge computed at a periodic rate of one-half of one percent per month, which is an annual percentage rate of six percent, which will be applied to any unpaid balance owed commencing 7 days after the payment due date. Additionally, in the event the Agency fails to pay any undisputed amounts due to RGS within 15 days after payment due date, then Agency agrees that RGS shall have the right to consider said default a total breach of this Agreement and the duties of RGS under this Agreement may be terminated by RGS upon 5 working **days'** advance written notice.

Payment Address. All payments due RGS shall be paid to:
Regional Government Services Authority
PO Box 1350
Carmel Valley, CA 93924

[EXHIBIT A CONTINUES ON FOLLOWING PAGE]

AGENCY CONTACTS

Agency Billing Contact. Invoices are sent electronically only. Please provide the contact person to whom invoices should be sent:

NAME	EMAIL
Amy Simpson, Bookkeeper	

Agency Insurance Contact. Please provide the contact person to whom the certificate of coverage should be sent:

NAME	ADDRESS
Amy Simpson, Bookkeeper	South San Luis Obispo County Sanitation District 1600 Aloha Place Oceano, CA 93445

RGS STAFF

CLASSIFICATION	HOURLY RATE*
Senior Advisor	\$115 to \$150
Program Advisor	\$105 to \$125
Project Advisor	\$95 to \$110
Project Coordinator	\$65 to \$80

*The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup.

Exhibit B

Scope of Services.

Subject to the terms and conditions of this Agreement, RGS shall assign RGS employee(s) to serve as the Human Resources Advisor(s) to the South San Luis Obispo Sanitation District (DISTRICT), which may require performing any or all of the functions described below:

1. Provide immediate ongoing Human Resources Management services. Work may be performed onsite during scheduled office hours visits, at other times as mutually-agreed, or remotely. Human Resources Management services include the following general HR administration, employee relations, and labor relations activities as needed:

1.1. By mutual agreement, schedule regular office visits; and be reasonably available by phone or email during the work week, to provide professional human resources assistance regarding best **practice to facilitate effective administration of the District's human resources policies and adherence** to current state and federal laws.

1.2. Analyze a variety of information and recommend appropriate management action; provide written documentation of analysis and recommendations as needed.

1.3. Draft specific documentation relevant to resolving a range of personnel issues; coach supervisors on conducting sensitive personnel conversations.

1.4. Draft required management communications to employees and facilitate effective interpersonal skills and relationship building.

1.5. Develop and/or update human resources administrative policies, procedures, forms and templates as needed to develop an effective and compliant system of human resources management practices and personnel transactions.

1.6. Confer with staff as requested to obtain input and/or feedback regarding policy and procedure recommendations; or to obtain information relevant to the resolution of personnel issues.

1.7. Create policy implementation plans and timelines, including identification of roles/activities to be **carried out by the District's managers and supervisors.**

1.8. Coach supervisors as needed in team building, conflict resolution, and other collaborative workplace skills.

1.9. Design and coordinate payroll and benefits workflows with finance and departmental staff to ensure effective transactional operations; may review or resolve issues with such transactions as needed.

1.10. Draft or update individual job classification descriptions on an as-needed basis, and make preliminary compensation recommendations for new job classes; conduct research and prepare individual essential functions information as needed.

1.11. Monitor and manage medical leaves of absence, modified returns-to-work, and other illness/injury/disability issues as needed from initial injury through return to work or separation from employment; ensuring correct communications to all parties, and creating appropriate documentation.

1.12. Assist in supporting labor negotiations, compiling data, preparing or reviewing proposals, and identifying administrative or operational options to achieve win-win solutions; may participate in negotiations or other meet-and-confer sessions upon request; may manage negotiation recordkeeping and communications upon request.

1.13. Be reasonably available to perform services during the normal work week.

1.14. Meet as often as necessary for the purpose of consulting about the District's human resources needs and issues, and the scope of work performed.

2. Additional HR "project" work may be performed upon request of the District. The District may request a separate written scope of work and a not-to-exceed cost prior to the commencement of a specified project. Such projects must be authorized by the District Manager or designee in writing prior to the performance of work related to the specified project. RGS staff will provide such services, which include but are not limited to HR management projects such as:

2.1. Develop and conduct managerial, supervisory, or employee training courses.

2.2. Conduct non-executive and executive recruitments as requested, and design selection processes and instruments to be used.

2.3. Conduct comparative and/or analytical studies of job classifications and compensation.

2.4. Develop and implement comprehensive revisions of agency's complete set of personnel-related administrative policies and/or procedures.

2.5. Projects and activities may be modified on request of the District. District will only be invoiced for the actual hours worked.

3. Perform the functions as assigned by the RGS lead advisor.

3.1. Perform other duties as are consistent with the services described herein and approved by the RGS lead advisor.

3.2. Perform related work as required as approved by the RGS lead advisor.

3.3. Such employee may perform services at Agency offices available or at other locations.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765
www.sslocsd.org

STAFF REPORT

Date: February 15, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **PROPOSED RESOLUTION NO. 2017-362 TO ALLOW THE DISTRICT'S
EMPLOYEES TO PARTICIPATE IN CALPERS' 457 DEFERRED
COMPENSATION PLAN**

RECOMMENDATIONS:

Consider and approve Resolution No. 2017-362, authorizing District participation in CalPERS, 457 Deferred Compensation Plan

DISCUSSION

The purpose of the California Public Employees' Deferred Compensation 457 Plan (CalPERS 457 Plan) is to provide deferred compensation program to public employees that elect to participate in the Plan. The District currently, nor historically has not participated in any deferred compensation Plan (457 or 401(k)) for its employees. Many public agencies have established 457 and/or 401(K) Plans as additional means to assist their employees plan for retirement beyond traditional pensions and/or Social Security.

Upon establishment of the Plan, participation by District employees would be strictly voluntary. The 457 Plan allows an individual to automatically save a portion of their pre-tax salary. The employee decides how much to contribute (up to the IRS annual limits: currently \$18,000 a year, \$24,000 for those over 50 years of age), and the amount is deducted pre-tax from the employee's paycheck. The employee's taxable income is thus reduced by the amount placed in Plan, which will likely lower the employee's overall tax. In addition, contributions and any earnings benefit from the power of tax-deferred compounding. This means taxes on this income, investments or earnings are deferred until withdrawals begin, usually in retirement. Additional information is provided in the CalPERS Plan Overview Brochure (Attachment No. 1).

Today we are requesting the Board consider the District's participation in CalPERS 457 Deferred Compensation Plan through adoption of Resolution No. 2017-362 (Attachment No. 2), and authorize the District Administrator to complete and submit the Employer Adoption Agreement (Attachment No. 3) and New Employer Information Sheet (Attachment No. 4). If Resolution No. 2017-362 is adopted today, additional information will also be provided to District employees at a future date on how to sign up with the 457 Plan, the benefits, and investment choices available.

FISCAL CONSIDERATIONS

No direct costs or expenses will be incurred by the District for administering CalPERS 457 Plan. The District's Bookkeeper will need to record and submit to CalPERS through the bimonthly payroll any employee's participation in the Plan. This effort is expected to be minor. The District would not be liable for any losses employees experience through choices made on Plan investments. In addition, all management and investment fees would be sole responsible of the employee.

Attachments:

1. CalPERS Participation Plan Overview Brochure
2. Resolution No. 2017-362
3. Employer Adoption Agreement
4. New Employer Information Sheet

A simple way to save for your future: CalPERS Supplemental Income 457 Plan

Saving for retirement is an important goal. A pension and Social Security are a good start, but they might not be enough to provide the lifestyle you want. Most of us need additional savings to fill the income gap. That's where the CalPERS 457 Plan comes in.



Why CalPERS?

For more than 80 years, CalPERS has been a not-for-profit public entity in service to those who serve California.

Committed to providing industry leading retirement benefits for employees, retirees and their families, CalPERS offers a complete retirement picture:

- the largest public pension fund in the U.S., and
- the CalPERS Supplemental Income 457 Plan, a deferred compensation plan

As the largest pension provider in the state, you can rely on CalPERS to help you get the most from your retirement benefits. Your pension and the CalPERS 457 Plan are designed to complement each other.

The CalPERS 457 Plan gives you low cost investment choices, plus the latest in investor education, tools and services from Voya Financial™, a national leader in defined contribution plans who is the Plan's record keeper.

Of course, the CalPERS 457 Plan is a voluntary retirement savings plan, and you may be looking at others. There are so many choices, and at times it may be overwhelming.

This brochure is intended to help you understand the many benefits of the CalPERS 457 Plan. We hope it is useful to you in comparing plans before making your decision.

A convenient way to save.

The CalPERS 457 Plan allows you to automatically save a portion of your salary. You decide how much to contribute (up to the IRS annual limits), and the amount is deducted pre-tax from your paycheck. Your current taxable income is reduced by the amount you save, which may lower your tax bill. In addition, your contributions and any earnings can benefit from the power of tax-deferred compounding. This means that you won't pay taxes on your investments or earnings until you start to take withdrawals, usually in retirement.

A lower cost plan.

This is a very competitively priced retirement plan. CalPERS recognizes that costs matter. The less you pay to invest, the more of your investment returns you keep — an advantage that really adds up over time. That's why CalPERS reviews the fees for the CalPERS 457 Plan investments on an ongoing basis, aiming to keep expense ratios as low as possible. In fact, taking a close look at expense ratios can help you make your investment decisions, since low cost funds consistently produce higher returns than expensive funds*. You can use the **Plan Comparison Worksheet** to compare fees for the CalPERS 457 Plan investments with those of other plans.

* "How Expense Ratios and Star Ratings Predict Success,"
by Russel Kinnel, Director of Fund Research and Editor,
Morningstar Fund Investor, August 2010.

Quality investments.

The CalPERS 457 Plan offers a simple approach to investing to match your investor style, whether you want to do it yourself or get help. The core investments are managed by CalPERS staff and professional managers under contract to CalPERS. The target retirement date funds are specifically designed for public employees. If your employer contracts for the discount brokerage provision, an optional Schwab Personal Choice Retirement Account® (PCRA) provides even wider investment choices.

See your savings as future income.

Your 457 Plan account is designed to deliver a personalized, interactive experience to help you make smart money decisions. myOrangeMoney™ shows you the income you may need each month during retirement, how much progress you've already made toward that goal and any gap you'll need to close to eventually reach your retirement goal. Your Personal Financial Dashboard, a convenient tool for organizing your finances, updates automatically and gives you a current view of your complete financial picture.



With myOrangeMoney, you can use the sliders to try out various savings, investing and retirement age scenarios until you find the combination that's right for you. When you're ready to take action, just click on the **Make the change** button and follow the prompts. It's that simple!

Manage your account your way.

Whether shopping, traveling or investing for retirement, many of us like to do things for ourselves — yet appreciate personal assistance when we need help. That's why the CalPERS 457 Plan gives you many different choices whenever you want service and support.

► Self-Service

24/7 account management, retirement planning and investing tools

[Automated phone line](#)

(800) 260-0659

[Plan website](#)

<https://calpers.voyaplans.com>

[Mobile account access](#)

Voya Retire app for iPhone®, iPod touch® and Android™ devices

iPhone and iPod touch are trademarks of Apple Inc., registered in the U.S. and other countries.

App Store is a service mark of Apple Inc. Android is a trademark of Google Inc.

[Education from hire to retire](#)

Online reading, calculators, seminars and videos

<https://calpers.voyaplans.com>

► Personal Service

One-on-one assistance and individual account reviews

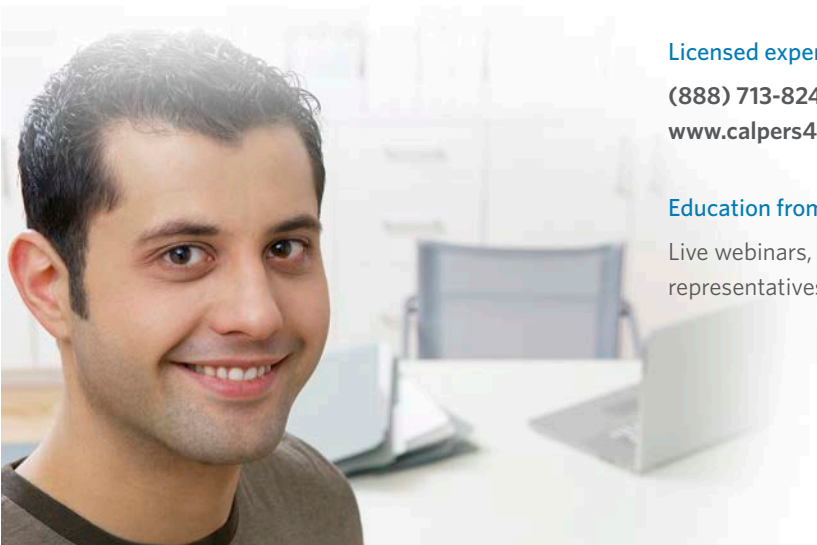
[Licensed experienced local representatives available by telephone and in person](#)

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How to join.

You're immediately eligible to participate if your employer has adopted the CalPERS 457 Plan. Call toll free **(888) 713-8244** to request a *Participant Enrollment Kit*. Once you complete the enrollment form, it must be signed by an employer representative before you can enroll.

See how the Plan stacks up.

If you're still not sure this is the right supplemental retirement savings plan for you, use this Plan Comparison Worksheet as you gather more information. The features and benefits of the CalPERS 457 Plan are filled in so you can ask questions and make notes about other plan providers and types of accounts.

Account Features	CalPERS 457 Plan	Other Plans	
		Option A	Option B
Minimum Account Balance	None		
Annual Account Fees	None		
Fund Management Fees	0.40% - 0.55%		
Self-Directed Brokerage Option	Yes		
Target Date Funds	Yes, the funds are specially designed for Public Sector Employees		
Account Access (Phone & Online)	Yes		
Trading Fees	None*		
Retirement Planning Tools & Services	Yes		
Sales Commission Fees	None*		
Investment & Trade Restrictions	None**		
Distribution Options	A. Rollover to Eligible Retirement Plan B. Installment Payments C. Lump Sum Distribution IRS rules governing early distribution penalties may apply if you haven't attained age 59½.		

* There are certain fees associated with the Self-Managed Brokerage Account (an optional program offered by a select number of contracting employers).

** CalPERS has a frequent trading policy to secure the investment performance of the SIP funds for the benefit of all investing in the funds. As the funds are designed to achieve participants' long-term retirement income goals, short-term trading will be limited. Multiple round trip trades into and out of a fund is subject to these restrictions. For more information: <https://www.calpers.ca.gov/page/investments/about-investment-office/policies>

We're ready to help.

🗨 If you have any questions or need information, call toll free **(888) 713-8244** to talk with local representatives who know the CalPERS 457 Plan well.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

RESOLUTION NO. 2017-362

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

APPROVING ADOPTION OF

CALPERS SUPPLEMENTAL INCOME 457 PLAN

WHEREAS, the South San Luis Obispo County Sanitation District desires to establish a Supplement Income 457 Deferred Compensation Plan for the benefit of its employees; and

WHEREAS, the Board of Administration (the "Board") of the California Public Employees' Retirement System ("CalPERS") has established the CalPERS Supplemental Income 457 Plan (the "CalPERS 457 Plan") which may be adopted by a governmental employer the employees of which are public employees; and

WHEREAS, South San Luis Obispo County Sanitation District believes that the CalPERS 457 Plan and the investment options available thereunder will provide valuable benefits to its employees; and

WHEREAS, the Board has appointed Voya Financial® (the Plan Recordkeeper) to perform recordkeeping and administrative services under the CalPERS 457 Plan and to act as the Board's agent in all matters relating to the administration of the CalPERS 457 Plan;

NOW, THEREFORE, BE IT RESOLVED that the South San Luis Obispo County Sanitation District adopts the CalPERS 457 Plan for the benefit of its employees and authorizes and directs the District Administrator to execute the attached adoption agreement on behalf of South San Luis Obispo County Sanitation District and to provide CalPERS or any successor agent duly appointed by the Board with such information and cooperation as may be needed on an ongoing basis in the administration of the CalPERS 457 Plan. A copy of this resolution, the agreement, and any attachments thereto shall be on file in the office of South San Luis Obispo County Sanitation District.

PASSED AND ADOPTED as a resolution at a regular meeting of the South San Luis Obispo County Sanitation District held February 15, 2017.

BOARD CHAIR

ATTEST:

DISTRICT SECRETARY

APPROVED AS TO FORM:

BY:_____
DISTRICT COUNSEL

CONTENTS:

BY:_____
DISTRICT ADMINISTRATOR

Employer Adoption Agreement

The employer identified below (the “Employer”) adopts the CalPERS Supplemental Income 457 Plan (the “CalPERS 457 Plan” or the “Plan”) for the benefit of its employees and agrees to be bound by and subject to the terms of the Plan, as it may be amended from time to time. The Employer further agrees and represents as follows:

1. The Employer is a political subdivision of the State of California and is eligible to adopt the Plan.
2. The Employer has duly adopted a resolution (copy attached) or taken such other official action as required for its lawful adoption and implementation of the Plan and has authorized the undersigned to execute this Agreement on its behalf.
3. The Employer has received and has had the opportunity to review the following documents and information:
 - The Plan document;
 - A description of the optional provisions of the Plan;
 - A description of the investment options available to Plan participants and historical performance data for those investment options;
 - A complete description of fees and expenses that will or may be charged to Plan participants including, but not limited to, investment fees and administrative expenses; and
 - The Enrollment Kit for eligible employees, which includes forms and information for employees to participate in the Plan.

Contributions

4. The Employer understands that its employees will have the opportunity to defer their own compensation by designating an amount or percentage to be withheld from each paycheck and contributed to the Plan on the employee’s behalf.
5. The Employer understands that the Plan must be made available to all employees and agrees to offer all employees the opportunity to participate in the Plan.
6. The Employer understands that the Plan cannot be made available to individuals who are not the Employer’s common law employees and agrees not to offer such individuals the opportunity to participate in the Plan.
7. The Employer understands that each employee’s deferrals under the Plan and any other eligible deferred compensation plan maintained by the Employer are subject to certain limits imposed by the Plan and the federal tax code. The Employer agrees to limit employees’ deferrals under all plans maintained by the Employer to amounts that do not exceed applicable limitations.
8. The Employer agrees to deduct deferral amounts from employees’ salaries and wages in accordance with the employees’ elections, to remit all amounts deducted to the Plan as soon as reasonably practicable after such amounts are withheld, and to accurately report the amounts remitted.
9. The Employer understands and agrees that all amounts deferred under the Plan shall be 100% vested and shall be deposited in the Public Employees’ Deferred Compensation Fund (the “Fund”), a trust established to hold such amounts, for the exclusive benefit of participants and their beneficiaries. The Employer shall have no right to Fund assets or to sell, redeem, or otherwise liquidate Fund assets, except as provided Plan section 10.6.

Investments

10. The Employer understands and agrees that employees who defer compensation under the Plan will have the right to direct the investment of their individual Plan accounts by choosing among the investment options selected by the CalPERS Board of Administration (the "Board") and offered under the Plan. The Employer further understands and agrees that any employee who does not provide timely directions for investing his or her account will be deemed to have selected the Plan's default investment. The Plan's default investment is currently the CalPERS Target Retirement Fund designated for an employee, based on his or her expected retirement date. The Employer understands and agrees that the Board, in its sole discretion, may add, eliminate, or consolidate investment options offered under the Plan, including the Plan's default investment option.
11. The Employer further understands and agrees that certain fees are charged to Plan participants for investment and administration expenses, and that such fees will be offset against investment returns or deducted from participants' Plan accounts periodically.

Administration

12. The Employer understands and agrees that, except as specifically set forth in the Plan, the administration of the Plan and Fund is subject to the exclusive control of the Board and that the Board has the authority to retain third parties to provide investment services, record keeping, accounting, or other services for the Plan.
13. The Employer agrees to assist and cooperate in providing Plan information to employees and to follow administrative procedures established by the Board or its designee(s) from time to time.
14. The Employer has completed the attached New Employer Data Sheet, which is incorporated by reference. The Employer hereby certifies that all information provided in connection with its adoption of the Plan is true and accurate.
15. The Employer understands and agrees that the Board has retained the power and authority to amend the Plan from time to time, subject to limitations set forth in the California Government Code and the Plan. The Employer may not amend the Plan.
16. The Employer understands and agrees that its participation in the Plan may be terminated by the Employer or by the Board upon sixty (60) days advance written notice. Upon termination, all amounts held for participants will continue to be held in the Fund for the exclusive benefit of participants and their beneficiaries, except for distributions or transfers permitted under the Plan terms.

Name of Employer: _____

By: _____

Title: _____

Date: _____

Accepted by CalPERS (or an agent duly appointed by the Board) on behalf of the Board of Administration of the California Public Employees' Retirement System

Name of Employer: _____

By: _____

Title: _____

Date: _____



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.us

Staff Report

Date: February 15, 2017
To: Board of Directors
From: Gerhard Hubner, District Administrator
Subject: **ANNUAL REVIEW AND UPDATE TO DISTRICT BOARD BYLAWS**

RECOMMENDATION

Consider and approve Amendments to the District's Bylaws as proposed in Attachment No. 1.

BACKGROUND AND DISCUSSION

As a good housekeeping practice, the Board reviews its bylaws annually. Annual review provides an opportunity for Board members to revisit these rules for internal operation and to implement changes to provide for efficient staffing and smooth meeting flow.

Proposed 2017 amendments appear in tracked changes format in Attachment 1. An explanation of the proposed amendments follows:

- **Grammar improvements:** a few changes are proposed throughout the Bylaws to follow rules for capitalization and abbreviation.
- **Board Direction to District Administrator:** Additional language is proposed for Paragraph 2.4(c) to require the District Administrator to ask whether the entire Board wishes to consider an agenda item proposed at a meeting by an individual director. This language would make Paragraph 2.4(c) consistent with Paragraphs 4.1 (agenda preparation) and 7.1 (Board is the unit of District authority). It would help channel expenditure of District resources according to Board direction.
- **Retention of Electronic Recordings:** Paragraph 5.7 is proposed for deletion. Currently this paragraph requires "electronic recordings" of Board meetings to be kept for 365 days after the Board approves minutes for that meeting. Because Board meetings are now video-recorded and archived by AGP Video, this language is outdated and imprecise.

In addition, good management practices require that retention periods be specified in a retention schedule. Staff is currently proceeding with a file management project as

recommended by the Knudson Report, and plans to bring updates to the District's retention schedule to the Board later this year.

- Complaint by Director About Another Director's Conduct: A new Paragraph 6.9 is offered for the Board's consideration. Currently the Board bylaws do not specify how a Director may bring a complaint about another Director. The proposed language would fill this gap.

The proposed language would protect Directors' free speech and due process rights. It is drawn from similar procedures used by cities such as San Luis Obispo, Stockton and Murrietta. In these communities, a complaint is first submitted either to a subcommittee of the city council or to staff and the individual is notified and given an opportunity to respond. This process allows facts to be thoroughly investigated before the city council receives a report. After investigation, the complaint is brought before the entire council when needed.

- Director Guidelines: The last sentence of Paragraph 9.4 is proposed for deletion because it is obsolete. The sentence specifies that a Director should refer certain personnel matters to the Board's personnel committee in accordance with District Personnel Policy. However, the Personnel Policy does not address this topic and it is not proposed to be addressed in the Personnel Policy updates now being prepared for the Board. Moreover, the Board has no personnel committee.

Conclusion

According to the 2016 Knudson Report and recommendations, annual Bylaws updating is a prudent management practice because members of the Board can also change on an annual basis. Adopting the proposed changes would allow Board staff and advisors to serve the Board more efficiently.

Attachment No. 1 – Redlined Version with proposed changes to District Bylaws

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS BYLAWS
2016 UPDATE

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are the Chair and Vice Chair.
- 1.2 The Chair of the Board of Directors shall serve as chairperson at all Board meetings. He/she shall have the same rights as the other Directors of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.
- 1.3 In the absence of the Chair, the Vice Chair of the Board of Directors shall serve as chairperson over all meetings of the Board. If the Chair and Vice Chair of the Board will both be absent, the Chair may name any member of the Board to perform the duties of the presiding officer prior to the meeting. If the Chair's absence is unexpected, the chairperson shall be as specified by standing order of the Chair.
- 1.4 The Chair and Vice Chair of the Board shall be elected annually at the last regular meeting of each calendar year.
- 1.5 The term of office for the Chair and Vice Chair of the Board shall commence on January 1 of the year immediately following their election.
- 1.6 The Chair, and in his/her absence, the Vice Chair, are authorized to attend meetings of the San Luis Obispo County Planning Commission, meetings of the San Luis Obispo County Board of Supervisors, meetings between District Staff and Water Board Personnel, including either Regional Quality Control Staff or State Water Board Staff on behalf of the District, without compensation except reimbursement for use of his/her private vehicle to attend such meetings pursuant to District Policy 10.01(b). If the Chair is absent, the Vice Chair or Board member may attend these meetings.
- 1.7 The Chair, or in his/her absence, the Vice Chair shall meet with the District Administrator in advance of a regularly scheduled meeting to review all Warrants to be presented at the next regular Board meeting immediately following the meeting with the District Administrator.

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2. MEETINGS

- 2.1 Subject to holidays and scheduling conflicts, regular meetings of the Board of Directors shall commence at 6:00 p.m. on the first and third Wednesday of each calendar month at such meeting location within the District boundaries designated by the Board Chair. The Board of Directors reserves the right to cancel and/or designate other dates, places and times for Director Meetings due to scheduling conflicts and holidays.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS
2016 UPDATE**

2.2 SPECIAL MEETINGS.

Special meetings may be called by the Chair or two (2) Directors with a minimum of twenty-four (24) hours public notice. A special meeting agenda shall be prepared and distributed pursuant to the procedures of the Brown Act by the District Administrator in consultation with the Chair, or in his or her absence, the Vice Chair or those Directors calling the meeting.

2.3 Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.

2.4 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:

- (a) Directors may briefly respond to statements or questions from the public;
- (b) Directors may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting;
- (c) A Director individually, or the Board by motion, may take action to direct the District Administrator to place a matter on a future agenda, If requested by a Director individually, the District Administrator shall inquire whether a majority of the Board wishes to entertain the item; and
- (d) Directors may make brief announcements or make a brief report on his/her own activities under the Director Comment portion of the Agenda.

2.5 MEETING PROTOCOL

- (a) Policy. The purpose of oral presentation at District meetings, as well as written presentations, is to formally communicate to the Board of Directors on matters (1) listed on the Agenda, or (2) matters that are within the jurisdiction of the Board of Directors during general public comment. Such presentations are helpful to the Board in its decision-making process. The Board of Directors welcomes information and expressions of opinion from members of the public on any item which it may be considering. However, the Board of Directors is not required to provide a public forum for remarks or conduct in violation of the Rules of Decorum.
- (b) Public Comment. Subject to the following rules, the Board of Directors shall set aside 30 minutes on each agenda item for public comment:

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS
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- (c) The Chairperson, after consideration of the length of the Agenda, the nature of the agenda item, and the meeting limitations of Section 2.2, may expand or further limit the 30 minute time allocation for public comment.
- (d) Each public commenter shall be limited to 3 minutes unless shortened or extended by the Chairperson with consideration of the length of the Agenda, the nature of the agenda item, and the meeting limitations of Sections 2.2, above.

2.6 DISTURBANCE OF BOARD MEETINGS

2.6.1 Rules of Decorum. The rules of decorum, below, shall apply to public comment and attendance at District meetings.

- (a) No person shall address the Board of Directors without first being recognized by the Chairperson.
- (b) Persons addressing the Board have the option to state their name and their general place of residence.
- (c) Public comment and public testimony shall be directed to the Chairperson and shall be addressed to the Board of Directors as a whole. Persons addressing the Board of Directors shall not engage in a dialogue with individual Directors, District staff or members of the audience. The Chairperson shall determine whether, or in what manner, the District will respond to questions.
- (d) Persons addressing the Board are limited to one opportunity per Agenda item unless otherwise directed by the Chairperson in his/her discretion.
- (e) A person cannot defer his/her time allocation to another person.
- (f) When a group or organization wishes to address the Board on the same subject, the Chairperson may request that a spokesperson be chosen to speak for that group. The spokesperson's three (3) minute time allocation may be extended by the Chairperson in his/her discretion.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS
2016 UPDATE**

- (g) Persons addressing the Board shall confine the subject matter of their comments to the Agenda item being considered by the Board of Directors.
- (h) Each person addressing the Board of Directors shall do so in an orderly and civil manner and shall not engage in conduct which disrupts the orderly conduct of the District meeting.
- (i) The Chairperson may rule a speaker out of order who is unduly repetitious or extending discussion of irrelevance.
- (j) Except as provided below, persons who reference or read from documents such as reports, exhibits, or letters ("Documents") as part of his/her comment to the Board shall lodge the Document (or a copy) with the District Secretary at the end of the comment, to allow the Document to be appropriately referenced in the meeting Minutes and to allow District staff the opportunity to review and respond to the Document. The Chairperson has the discretion to strike a speaker's comments from the record for failure to lodge the referenced Documents. Upon request, the lodged Documents shall be returned to the speaker after 1:00 p.m. on the day following the meeting.

Exceptions:

- Speaker's presentation outline, however, Documents referenced in the outline shall be lodged.
- Documents that are in the Agenda packet.
- Documents that have been previously published by the District, so long as the speaker identifies the Document by date, author and the pages referenced or read from.
- For voluminous Documents the speaker need only lodge the cover sheet that identifies the author and date and the pages read from or referenced.

2.7 Enforcement of Rules of Decorum. Any person who violates the Rules of Decorum may, at the discretion of the Chairperson, be removed from the meeting. The Rules of Decorum shall be enforced in the following manner:

- (a) Warning. The Chairperson shall warn the person who is violating the rules of decorum.
- (b) Expulsion. If after receiving a warning from the Chairperson, the person persists in violating the rules of decorum the Chairperson shall order the person to leave the Board meeting room for the remainder of the meeting.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS
2016 UPDATE**

- (c) Assisted Removal. If such person does not voluntarily remove himself/herself, the Chairperson may order any law enforcement officer who is on duty at the meeting, or who may be summoned to the meeting, to remove the person from the Board room.
- (d) Restoration of Order. If order cannot be restored by the removal of individuals who are disrupting the meeting, the Board meeting will be continued under the provisions of Government Code §54957.9
- 2.8 Limitations (Government Code §59454.3(c)) The Rules of Decorum shall not be interpreted to prohibit public criticism of the policies, procedures, programs or services of the District.
- 2.9 The Chair, or in his/her absence the Vice Chair, or if both are absent, the Chair's designee as provided by Paragraph 1.3, shall be the presiding officer at District Board meetings. He/she shall conduct all meetings in a manner consistent with the policies of the District. He/she shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board. He/she shall announce the Board's decision on all subjects. He/she shall vote on all questions and on roll call votes his/her name shall be called last.
- 2.10 Two (2) Directors of the Board shall constitute a quorum for the transaction of business. When a quorum is lacking for a regular, adjourned, or special meeting, the Chair, Vice Chair, or any Director shall adjourn such meeting; or, if no Director is present, the District Secretary shall adjourn the meeting.
- 2.11 Except as otherwise specifically provided by law, a majority vote of the total membership of the Board of Directors is required for the Board of Directors to take action.
- 2.12 A roll call vote shall be taken upon the passage of all ordinances and resolutions, and shall be entered in the Minutes of the Board, showing those Directors voting aye, those voting no, those not voting because of a conflict of interest, and absent. A roll call vote shall be taken and recorded on any motion not passed unanimously by the Board. Silence shall be recorded as an affirmative vote.
- 2.13 Any person attending a meeting of the Board of Directors may record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding that the recording cannot continue without disruptive noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.
- 2.14 All video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speaker's podium once the meeting begins. The Chair retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room.

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**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS
2016 UPDATE**

3. ETHICS TRAINING

- 3.1 Pursuant to sections 53234 et seq. of the Government Code all Directors and designated District personnel shall receive at least 2 hours of ethics training every two years.
- 3.2 Each newly appointed Board member will receive such training from their Agency. Each newly designated District personnel shall receive ethics training no later than one year from the first day of service with the District and thereafter shall receive ethics training at least once every two years.

4. AGENDAS

- 4.1 The District Administrator, in cooperation with the Board Chair, shall prepare the agenda for each regular and special meeting of the Board of Directors. Any Director may call the District Administrator and request an item to be placed on the regular meeting agenda no later than 5 p.m. 11 calendar days prior to the meeting date. Such a request must also be submitted in writing either at the time of communication with the District Administrator or delivered to the office within the next working day.
- 4.2 A block of twenty (20) minutes time shall be set aside to receive general public comment. Comments on agenda items should be held until the appropriate item is called. Unless otherwise directed by the Chair, public comment shall be presented from the podium. The person giving public comment shall state his/her name and whether or not he/she lives within the District boundary prior to giving his/her comment. Public comment shall be directed to the Chair of the Board and limited to three (3) minutes unless extended or shortened by the Chair at his/her discretion.
- 4.3 Those items on the District Agenda which are considered to be of a routine and non-controversial nature are placed on the "Consent Agenda". These items shall be approved, adopted, and accepted, etc. by one motion of the Board of Directors; for example, approval of Minutes, approval of Warrants, various Resolutions accepting developer improvements, minor budgetary items, status reports, and routine District operations.
- (a) Directors may request that any item listed under "Consent Agenda" be removed from the "Consent Agenda", and the Board will then take action separately on that item. Members of the public will be given an opportunity to comment on the "Consent Agenda"; however, only a member of the Board of Directors can remove an item from the "Consent Agenda". Items which are removed ("pulled") by Directors of the Board for discussion will typically be heard after other "Consent Agenda" items are approved unless a majority of the Board chooses an earlier or later time.
- (b) A Director may ask questions on any item on the "Consent Agenda". When a Director has a minor question for clarification

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS
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concerning a consent item which will not involve extended discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the "Consent Agenda". Directors are encouraged to seek clarifications prior to the meeting if possible.

- (c) When a Director wishes to consider/"pull" an item simply to register a dissenting vote, or conflict of interest, the Director shall inform the presiding officer that he/she wishes to register a dissenting vote, or conflict of interest, on a particular item without discussion. The item will be handled along with the rest of the Consent Agenda, and the District Secretary shall register a "no" vote, or conflict of interest, in the Minutes on the item identified by the Director.

5. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES

- 5.1 The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheads;
- 5.2 The minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage or denial of all ordinances, resolutions or motions.
- 5.3 The District Secretary shall be required to make a record only of such business as was actually considered by a vote of the Board and, except as provided in Sections 5.4 and 5.6 below, shall not be required to record any remarks of Directors or any other person;
- 5.4 Any Director may request for inclusion into the Minutes brief comments pertinent to an agenda item, only at the meeting in which the item is discussed. In addition, the minutes shall include brief summaries of public comment, the District Administrator's report, matters of concern to District legal counsel, District committee reports, and Directors' reports. Materials submitted with such comments shall be appended to the minutes at the request of the District Administrator, District Counsel, the Board Chair, or any Director.
- 5.5 The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.
- 5.6 Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.

6. DIRECTORS

- 6.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board of Directors.
- 6.2 Members of the Board of Directors shall exercise their independent judgment on

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Deleted: <#>The District shall keep and maintain the electronic recordings of District Board Meetings for a period of three hundred sixty-five (365) days beyond the date that the Minutes for any meeting are approved. The purpose is to insure accuracy of

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the Minutes and the electronic recording is not intended to substitute for the official record of the meeting.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS
2016 UPDATE**

behalf of the interest of the entire District, including the residents, property owners and the public as a whole.

- 6.3 Information may be requested from staff or exchanged between Directors before meetings, within such limitations as required by the Brown Act. Information that is requested or exchanged shall be distributed through the District Administrator, and all Directors will receive a copy of all information being distributed.
- 6.4 Directors should at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.
- 6.5 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions. Civil discourse is encouraged. Once the Board of Directors takes action, dissenting Directors should not create barriers to the implementation of said action.
- 6.6 Except during open and public meetings the use of direct communication, personal intermediaries, or technological devices that is employed by a majority of the Directors to develop a collective concurrence as to action to be taken on an item by the Board of Directors is prohibited.
- 6.7 Directors shall not be prohibited by action of the Board of Directors from citing his or her District affiliation or title in any endorsement or publication, so long as no misrepresentation is made, or implied, about the District's position on the issue.
- 6.8 Directors are cautioned when using e-mail communications. Any communication from the District Administrator, or the District's legal counsel, or from other members of the Board of Directors, in each case the Director in responding to that e-mail shall not respond to "all", as that could constitute a violation of the Brown Act for a serial meeting or other provisions.

6.9 Any Director may complain to the District about another Director's conduct.

The complaint shall be made in writing and forwarded to the District Administrator and District Counsel along with supporting information. Within five days, the District will notify the accused Director in writing the substance of the complaint and supporting information. The notice shall also specify that the accused Director has five days to respond with supporting information.

The District Administrator and Counsel shall review the submitted information, investigate further as needed, and forward a preliminary report to the District Board.

The District Board may:

- Do nothing;
- Direct staff to place the matter on a regular meeting agenda;
- Take action in open session at a regular meeting concerning the complaint. Any action taken shall be by resolution and shall be consistent with elected officials' right to free speech.
- Potential actions include, but are not limited to: finding the complaint unfounded, expressing a legislative opinion concerning behavior, and issuing an official reprimand (censure) concerning inappropriate behavior.

7. AUTHORITY OF DIRECTORS

- 7.1 The Board of Directors is the unit of authority within the District. Apart from

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**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS**

2016 UPDATE

his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.

- 7.2** Directors do not represent any fractional segment of the community but are, rather, a part of the body which represents and acts for the community as a whole.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
DIRECTOR BYLAWS
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- 7.3 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.
- 7.4 Directors, when attending other meetings, may refer to their affiliation as a member of the Board of Directors and may make statements on their own behalf or endorsements on their own behalf as long as there is no misrepresentation made or implied about the District's position in regards to the issue presented.

8. AUTHORITY OF THE DISTRICT ADMINISTRATOR

The District Administrator shall be responsible for all of the following:

- 8.1 The implementation of the policies established by the Board of Directors for the operation of the District.
- 8.2 The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the District's Personnel Policies as established by the Board of Directors.
- 8.3 The supervision of the District's facilities and services.
- 8.4 The supervision of the District's finances.

9. DIRECTOR GUIDELINES

- 9.1 Directors, by making a request to the District Administrator, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, justification for Staff recommendations, etc. If the District Administrator cannot timely provide the requested information by reason of information deficiency, or major interruption in work schedules, workloads, and priorities, then the District Administrator shall inform the individual Director why the information is not or cannot be made available.
- 9.2 In handling complaints from residents or property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the District Administrator for processing and the District's response, if any.
- 9.3 Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, should refer said concerns directly to the District Administrator.
- 9.4 When approached by District personnel concerning specific District policy, Directors should direct inquiries to the District Administrator. The chain of command should be followed. ▼

Deleted: If a Director concludes that a personnel issue is not being adequately addressed in this manner, he/she should refer it to the Board's personnel committee for further consideration, in accordance with District Personnel Policy.

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- 9.5 Directors and District Administrator should develop a working relationship so that current issues, concerns and District projects can be discussed comfortably and openly.
- 9.6 When responding to constituent request and concerns, Directors should respond to individuals in a positive manner and route their questions to the District Administrator.
- 9.7 Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
- 9.8 No member may participate in a hearing or take action on an item which creates an economic conflict of interest for the member. Where there is an economic conflict of interest, the conflicted member shall announce the nature of the conflict of interest and recuse himself or herself from the hearing or deciding the matter and thereon step down from the dais and leave the room until the matter has been fully considered and voted upon, or otherwise continued.

10. DIRECTOR COMPENSATION

- 10.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board of Directors attended by him/her.
- 10.2 Each Director is authorized to receive one hundred dollars (\$100) per day as compensation for representation of the District at a public meeting or public hearing conducted by another public agency and/or participation in a training program on a topic that is directly related to the District, provided that the Board of Directors has previously approved the member's participation at a Board of Director's meeting and the member delivers a written report to the Board of Directors at the District's next regular meeting regarding the member's participation.
- 10.3 In no event shall Director Compensation exceed \$100 per day.
- 10.4 Director compensation shall not exceed six full days in any one calendar month.

11. DIRECTOR REIMBURSEMENT

- 11.1 Each Director is entitled to reimbursement for their actual and necessary expenses, including the cost of programs and seminars, incurred in the performance of the duties required or authorized by the Board.
 - (a) It is the policy of the District to exercise prudence with respect to hotel/motel accommodations. It is also the policy of the District for Directors and staff to stay at the main hotel/motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible.

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If lodging is in connection with a conference or organized education activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of the Board of Directors at the time of booking. If the group rate is not available, the Director shall use lodging that is comparable with the group rate. Personal phone calls, room service, and other discretionary expenditures are not reimbursable.

- (b) Members of the Board of Directors shall use government and group rates offered by a provider of transportation for travel when available. Directors using his/her private vehicle on District business, shall be compensated at the prevailing IRS per diem mileage rate.
- (c) Any Director traveling on District business shall receive in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments and tips. The amount set for per diem shall be considered fair reimbursement. The per diem shall include \$10.00 for breakfast, \$10.00 for lunch, \$20.00 for dinner, for a daily total of \$40.00.
- (d) All travel and other expenses for District business, conferences, or seminars outside of the State of California shall require separate Board authorization, with specific accountability as to how the District shall benefit by such expenditure.

11.2 All expenses that do not fall within the reimbursement policy set forth in 11.1, above, shall be approved by the Board of Directors, at a public meeting, before the expense is incurred.

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11.3 Board members shall submit an expense report on the District form within ten (10) calendar days after incurring the expense. The expense report shall be accompanied by receipts documenting each expense except for per diem allowances.

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11.4 Members of the Board of Directors shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board of Directors.

12. CORRESPONDENCE DISTRIBUTION POLICY

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board of Directors on Monday of each week and/or with agenda packet.

- 12.1 All letters approved by the Board of Directors and/or signed by the Chair on behalf of the District; and
- 12.2 All letters and other documents received by the District that are of District-wide concern, as determined by District staff.

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13. CONFLICTS AND RELATED POLICY

State laws are in place which attempt to eliminate any action by a Director or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. Laws which regulate conflicts are very complicated. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the [Fair Political Practices Commission \(FPPC\)](#) at 1-800-ASK-FPPC (1-800-275-3772), prior to the day of the meeting, if they have questions about a particular agenda item.

13.1 Conflict of Interest

Each Director is encouraged to review the District Conflict Code on an annual basis. The general rule is that an official may not participate in the making of a governmental decision if it is: reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family or on an economic interest of the official, and the effect is distinguishable from the effect on the public generally. Additionally, the FPPC regulations relating to interests in real property have recently been changed. If the real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by decision, that interest is now deemed to be directly involved in the decision.

13.2 Interest in Contracts, Government Codes Section 1090

The prohibitions of Government Code Section 1090 provide that the Board of Directors may not contract with any business in which another Director has a financial interest.

13.3 Incompatible Office

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment to the other public interest, their discharge by one person is incompatible with that interest. When a Director is sworn in for such a second office, he/she is simultaneously terminated from holding the first office.

14. EVALUATION OF CONSULTANTS

The District's legal counsel shall be evaluated by the Board of Directors annually during the months of May and June of each year.

15. CONTINUING EDUCATION

Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Subject to

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budgetary constraints, there is no limit to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

16. BOARD BYLAWS REVIEW POLICY

The Board Bylaws Policy shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

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17. RESTRICTIONS ON RULES

The rules contained herein shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with State or Federal laws.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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STAFF REPORT

Date: February 15, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **DISTRICT'S BRINE DISPOSAL PROGRAM AND CAMBRIA COMMUNITY
SERVICE DISTRICT'S APPLICATION FOR A BRINE WASTE DISPOSAL PERMIT**

RECOMMENDATION:

Receive and File Report

DISCUSSION

The District owns and operates a brine disposal station utilized by a variety of local water softening companies, water purveyors, vineyards and one local community service district for disposal of brine. The District Board approved brine disposal program has been in existence for many years, and provides a local and regional public service for disposal of salt brine from San Luis Obispo County and beyond.

In order for a Permittee (or discharger of brine) to truck and discharge/dispose of brine to the District facility the Permittee must:

1. Submit a complete application and fee;
2. Deposit or Bond of \$10,000; and
3. Provide laboratory analysis of the proposed brine to be disposed of.

The Permittee must also meet and acknowledge the following District Brine Disposal Permit conditions:

1. Disposal is a privilege, not a right.
2. Non-hazardous waste manifest must accompany all loads. Hazardous waste prohibited.
3. Permit suspension can occur at the discretion of the District or upon violation of permit requirements.
4. Subject to annual review.
5. Chain of custody required with all discharges.
6. District hours of operation Monday through Friday 8-3 pm.
7. 50,000 gallon per day brine discharge limitation. Discharges above this limitation will not be

allowed.

8. First come, first come basis, with no guarantee of discharge once daily limitation reached.
9. District under no obligation to provide access on a continuous basis.
10. Brine cannot cause the District to exceed its NPDES Permit limitations from RWQCB. The District's Brine Waste Disposal Permit identifies and lists those chemical constituents that cannot be exceeded.
11. Submittal of monthly reports from a CA Certified ELAP laboratory for discharge brine samples.
12. District has the right to sample brine.
13. Permittee must provide a dedicated delivery vehicle.
14. Permittee to defend, indemnify and save harmless the District.

If a Permittee meets and acknowledges all the above conditions, the Permittee is enrolled under the District's Brine Disposal Program, and a Brine Disposal Waste Permit is issued by the District Administrator. No further action by the Board is needed or required.

As part of our administering our Brine Disposal Program a log book is maintained, recording the date and time of every truckload that brings brine for disposal. The log describes the volume of brine waste, owner of each truckload, and the source of each truckload (water softener waste, reverse osmosis waste, etc.). Before the truck unloads, a sample is grabbed and the pH is analyzed for compliance. Once the District's laboratory and technician determines permit compliance is met, the station is unlocked and the brine truck is allowed to discharge the brine into our system. The brine is then mixed with the District's treated effluent and both discharged together into the ocean through the District's outfall.

A sample from each truckload is kept for fourteen (14) days in case of an identified problem with the brine. The brine monitoring requirements as also outlined on Page E-14 of our NPDES permit from the RWQCB, and conducted at a minimum annually.

In Calendar Year 2016, the District received at its brine disposal station 627 truckloads of brine, totaling 2,636,120 gallons. Currently we have twelve brine generators/Permittees enrolled in the Brine Disposal Program with six active customers.

Cambria Community Service District (CSD)'s Application for Permit to Discharge Brine

At a past Board meeting, the Board directed staff that when a brine disposal application was received from the Cambria CSD for proposed discharge of brine to the District facility, that the Board be notified. Today's staff report is providing that notification.

Recently, Cambria CSD submitted a signed Application for Brine Disposal, fee and deposit for discharge of brine from its groundwater desalter/treatment facility. They also provided us with laboratory analysis of their proposed brine. Cambria's application states that a maximum daily volume of 21,061 gallons a day is proposed from their facility.

Staff's review of the Application, and laboratory analysis provided, indicate the Application complete and meets the requirements of the District's Brine Disposal Program. Thus, it is eligible for a District Brine Waste Disposal Permit.

Furthermore, historical review of District records indicates sufficient volumetric capacity (within the 50,000-gallon limitation per day) under the District's Brine Disposal Program to accommodate Cambria CSD's Application. For example, in Calendar Year 2016, daily brine volumes received

ranged from zero to a maximum of 32,800 gallons per day (one day in January 2016). Most days' brine received at our facility is 10,000 gallons per day or less. This past January we had one Permittee who brought significant brine to our facility (the highest day combined was 45,600 gallons per day). In any event, we did not exceed during any one day the 50,000 gallon per day limitation for the entire calendar year 2016.

In addition, Cambria CSD truck(s) will be required to access the District's facility from our back-facility entrance, avoiding disruption to the adjacent Oceano community. Since the District's Permittees must renew annually, no Permittee, including Cambria CSD, are guaranteed brine disposal at our facility beyond what our Brine Disposal Program allows, as described on page 1 of this staff report. A future reclamation or recycling project by the District, one of its member agencies or in partnership with others (Regional Groundwater Sustainability Project) will not be jeopardized with this enrollment for all the reasons described above.

Therefore, for all the reasons stated above it is our intent to issue a Brine Waste Disposal Permit to the Cambria CSD.

FISCAL CONSIDERATIONS

The District's Brine Disposal Program provides the District approximately \$300,000 annually as revenue. We currently charge \$111.25/per 1000 gallons or 11 cents per gallon of brine disposed. The addition of Cambria CSD brine may realize the District an additional monthly revenue of \$46,332 based upon the volumetric values stated in its Application. We understand the volume of brine may or may not be received each and every month (or be seasonal).

Finally, the Board may want to direct staff to examine its current brine per gallon fee, and determine whether or not to adjust it. It may also want to explore developing a tiered charge or fee system, and/or volumetric limit for brine disposal haulers outside of the County vs. those from San Luis Obispo County.