



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

BOARD OF DIRECTORS MEETING

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

**Action Summary Minutes of the
Meeting of Wednesday, July 5, 2017, at 6:00 p.m.**

1. CALL TO ORDER AND ROLL CALL

Chairman Shoals called the meeting to order and recognized a quorum.

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

District Staff: Gerhardt Hubner, District Administrator; Mychal Jones, Acting Chief Plant Operator; Gilbert Trujillo, District Legal Counsel; Wendy Stockton, District Legal Counsel

2. PLEDGE OF ALLEGIANCE

3. AGENDA REVIEW

Upon unanimous consensus of the Board of Directors the Agenda was approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

Chairman Shoals opened the public comment period.

Patty Welsh commented on the former Plant Superintendent falsifying data, levels going down, and the Plant running smoothly without the Plant Superintendent.

Mary Lucey stated the Plant's nepotism policy and procedures need to be addressed to protect the District. She spoke on the HR being placed on hold by the Plant Superintendent, legal fees going up and putting out an RFP for legal counsel.

Amy Simpson spoke of new processes put on line by the Plant Superintendent to reduce the numbers.

Kris Victorine stated the response to the cash vs accrual method did not make sense. She further stated she had compared the District to four other Districts that all use the accrual method, and she would like to see more verification. She commented on audits not on the website or agenda.

Patricia Price commented on the legal bills for Downey Brand and Liebert Cassidy Whitmore, no reports for the numerous investigations, who was being investigated, why they were being investigated, and costs of the investigations. She further commented on the Plant running smoothly before the current District Administrator, there were issues with bullying in his previous workplace, she was not confident in the new budget, letter to the Water Board, public records requests not being out timely, contentious Board meetings, the public's concerns being put aside and the Board needs to take responsibility and terminate the District Administrator with cause.

Sam Ramirez, SEIU Representative, advised the Personnel Policy Manual (PPM) was being reviewed and needed to be vetted.

Julie Tacker spoke of her concerns of items not on the agenda, no Audit, PPM, nepotism, the Plant Superintendent was placed on Administrative Leave, Liebert Cassidy Whitmore contract, being interviewed by the Investigator over an alleged Brown Act violation, and an unapproved contract.

April Drury spoke of the April 5, 2017 meeting about the audio tapes and the letter from the Webmaster.

Chairman Shoals closed the public comment period.

5. CONSENT AGENDA:

Director Hill removed 5A from the Consent Calendar.

5A. Approval of Warrants

Director Hill commented on duplicate warrant numbers, costs for outside legal counsel, and recycled water project.

Chairman Shoals opened the public comment period.

Kris Victorine spoke of the District's legal fees compared to four other like Districts, management being in charge of controlling costs and the Board needing to verify what was being presented to them.

Julie Tacker commented on the budget being included with the Minutes, outside legal costs, outside accountant job description being much like the Bookkeeper/Secretary job description, Bartle Wells filing the State Revolving loan fund application, the District not getting a loan without an audit, and the Plant Superintendent not getting reimbursed for obtaining his Grade 5 Operator License.

Debbie Peterson commented on legal costs, outside counsel, and costs for numerous investigations.

Coleen Kubel spoke about typos and errors in reports.

Mary Lucey spoke about the amount budgeted for legal counsel, and the need for Human Resource services.

Chairman Shoals closed the public comment period.

Chairman Shoals stated he shared the concerns regarding the high legal costs and advised when claims and allegations are made the District needs to have them investigated.

Motion: Director Austin made the motion to approve the Warrant Register

Second: Director Shoals seconded the motion

Action: Motion was approved 2 – 1 Director Hill voted No

5B. Approval of Minutes of Meeting of June 21, 2017

Motion: Director Austin made the motion to approve 5B with corrections on page 1 and page 4

Second: Director Hill seconded the motion

Action: Motion was approved unanimously by roll call vote

6. ACTION ITEMS:

6A. ADOPTING RULES FOR ADMINISTRATION OF EMPLOYER/EMPLOYEE RELATIONS, RESOLUTION NO. 2017-371

District Administrator Hubner provided a presentation regarding the proposed rules for administration of Employer/Employee relations.

Director Hill commented on typos in the staff report and resolution.

Chairman Shoals opened the public comment period.

Sam Ramirez, SEIU representative, advised the Board that most rules for administration of Employer/Employee relations are governed by State and Federal law. He further advised the Board the proposed rules have been reviewed by legal counsel and SEIU supports the Resolution as presented.

Julie Tacker commented the plant had been in existence for 50 years with no union and she did not think they would be going through this now if it were not for the District Administrator.

Patricia Price stated she did not understand the union and asked who the District Administrator was representing.

Patty Welsh stated the union was here due to the Plant Superintendent not the District Administrator.

Coleen Kubel asked who the union steward was.

Debbie Peterson commented on the District Administrator, notice for the budget, financials and audits.

Chairman Shoals closed the public comment period.

Chairman Shoals commented on the employee's right to unionize. He advised the Board had discussed the unionization more than a year ago and there were many reasons that lead to the employees making the decision to unionize.

Sam Ramirez advised if the employees did not select a union steward they would be represented by union staff.

Motion: Director Hill made the motion to approve Resolution No. 2017-371 with corrections on page 1 and page 2

Second: Director Austin seconded the motion

Action: Motion was approved unanimously by roll call vote

6B. PROPOSED BY-LAW REVISION TO CHANGE MEETING TIME CONCLUSION

District Administrator Hubner presented the proposed change to the By-Laws regarding conclusion of the meeting time.

Chairman Shoals opened the public comment period. There being no one else that come forward, Chairman Shoals closed the public comment period.

Director Hill stated he was concerned with cancelling Board meetings during the peak work season.

Motion: Director Hill made the motion to approve amending the By-Laws to change the meeting conclusion time to 10:00 p.m. unless the Board approves, at each meeting, to continue beyond 10:00 p.m.

Second: Director Austin seconded the motion

Action: Motion was approved unanimously by roll call vote

6C. REQUEST FOR AUTHORIZATION TO PROCEED UNDER EXISTING KENNEDY/JENKS DESIGN CONTRACT TO COMPLETE OPTIONAL TASK AND EVALUATE ALTERNATIVES FOR PRODUCTION OF RECYCLED WATER

District Administrator Hubner provided a report on the request to proceed under the existing Kennedy/Jenks Design contract to complete optional task and evaluate alternatives for production of recycled water.

Chairman Shoals opened the public comment period.

Julie Tacker commented on concerns with the budgeting, the project appears to be outside the scope of redundancy, there was no fund for recycled water, all of the grant money being gone, and the Cities picking up the engineering costs.

Mary Lucey spoke about the redundancy project, the current plant site being large enough for the recycled water project and Oceano being the most impacted if something happens.

Chairman Shoals closed the public comment period.

Director Hill commented on how the task will support the upcoming redundancy project and it being one step toward moving forward with recycled water.

Director Austin stated the project makes sense and she is ready to move forward.

Chairman Shoals asked about the funding source.

District Administrator Hubner advised there is \$1.5 million for the design contract.

Motion: Director Austin made the motion to approve staff recommendation to approve authorization to proceed with the optional task under the existing Kennedy/Jenks contract to evaluate alternatives for production of recycled water.

Second: Director Hill seconded the motion

Action: Motion was approved unanimously by roll call vote

6D. DISTRICT ADMINISTRATOR AND PLANT OPERATION'S REPORT

District Administrator Hubner reported on the Cherry Avenue Project, mechanical bar screen, redundancy project, Coastal Commission CDP approval with revised findings for the Redundancy Project, upcoming SWRCB SRF loan prioritization workshop, recent meeting a Federal Agency for grant/loan to accompany the SRF loan, successful receipt of bids for the digester, arrival of the temporary centrifuge, installation of flooring for the District Control building, final recycled water grant study to the SWRCB, I & I Study and future installation of flow meter to support Phase I, work on a newsletter for public outreach, records management and various options for outside storage vs onsite storage for the C-Train records, waiting for comments from SEIU on the PPM, postponement of the Strategic Plan workshop, status of annual fiscal audit, annual premium dropping for Workman's Compensation due to no Workman Compensation claims, and Pismo Beach's approval of the MOU and consultant services to support a joint EIR for the regional groundwater sustainability project.

Mychal Jones, Interim Plant Superintendent, commented on sampling being stopped due to a rupture without violations, setup of the centrifuge, flooring project and staff training.

Director Hill commended Mr. Jones on the digester project and thanked operating staff on the Workman's Compensation.

Chairman Shoals thanked Mr. Jones and asked about the Coastal Commission permitting.

Mr. Hubner advised that they were done with the Coastal Commission CDP approval process but there would be additional plan submittals needed for the Coastal Commission's review prior to construction.

Chairman Shoals opened the public comment period.

Patty Welsh congratulated all staff for getting the Workman's Compensation down and asked if there was a conference room in the District Control building.

Julie Tacker commented on the costs of the flooring, digitizing records, strategic planning, Workman's Compensation in light of the Human Resource issues, the number of Public Records requests and using email vs paper.

Kris Victorine commented on the 2015/16 Audit, and fixed assets being an issue since the first of the year.

Chairman Shoals closed the public comment period.

Chairman Shoals asked about clarification about a conference room in the District Control building.

Mr. Hubner advised that no rooms were added, the problem with not having enough space for administration staff still exists, the break room is still used as a conference room when needed but is not ideal. Flooring costs were authorized by the Board at a past meeting, and would cost \$35,000. Digitizing records can be very expensive and he would not recommend digitizing all of the records. He further advised a strategic planning workshop was currently on hold.

7. BOARD MEMBER COMMUNICATIONS

Director Hill commented on having Fund 20 on a future agenda, history of past Board action using Fund 20, having a Special Meeting to discuss the Regional Water Quality Control Board letter, investigations being out of control, and items not showing up on the Agenda.

Chairman Shoals commented on the legal costs, putting together an Executive Committee to discuss items before they come to the Board, increasing the number of Board members, Fund 20 workshop, and tension at the Board meetings.

Director Hill commented on an investigation going on about the purchase of a furniture.

District Legal Counsel Gil Trujillo advised it was inappropriate to talk about any investigations especially when they involve personnel.

8. CLOSED SESSION

Chairman Shoals opened the public comment period.

Julie Tacker commented on expensive litigation, exposure to litigation on a number of issues, a previous speaker's comments about an employee falsifying records, and a letter received from the RWQCB.

Patty Welsh commented on falsifying of plant records.

Coleen Kubel stated the employees need to have a shop steward represent them.

Mary Lucey commented on leaks, an employee giving an interview to the New Times, and staff having a shop steward.

Brad Snook spoke on requesting an investigation into the Wallace Group, Cambria water supply project, and the Board doing a better job of addressing issues.

9. ADJOURN MEETING

The next regularly scheduled Board meeting on July 19, 2017, 6 pm at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433