

**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**
Arroyo Grande City Council Chambers
215 E. Branch Street
Arroyo Grande, California 93420

Wednesday, September 6, 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. Approval of Minutes of Meeting of the Special Meeting of July 26, 2017**
- 5C. Approval of Minutes of Meeting of August 2, 2017**
- 5D. Approval of Minutes of Meeting of August 16, 2017**
- 5E. July Financial Report**

6. ACTION ITEMS:

- 6A. DISCUSSION AND CONSIDERATION OF APPROVAL TO REVISE THE ADOPTED BUDGET FOR FISCAL YEAR 2017-18 REGARDING LINE ITEMS FOR LEGAL EXPENSES.**
- 6B. DISCUSSION AND CONSIDERATION OF APPROVAL TO SUBMIT AN APPLICATION FOR MEMBERSHIP OF PAUL J. KARP TO THE SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT ZONE 1 AND 1A ADVISORY COMMITTEE**
- 6C. DISCUSSION AND DIRECTION TO STAFF REGARDING THE STATUS OF THE JOINT INVESTIGATION WITH THE CITY OF ARROYO GRANDE**
- 6D. TECHNICAL CONSULTANTS AND PLANT OPERATION'S REPORT**

Receive and File Report

7. BOARD MEMBER COMMUNICATIONS

8. CLOSED SESSION

- 8A. CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section 54957.6:** Agency designated representatives: Richard Sweet or Paul J. Karp; Susan Wells Employee organization: Service Employees International Union (SEIU) Local 620
- 8B. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:** significant exposure to litigation pursuant to **paragraph (2) of Government Code Section: 54956.9 (d), paragraph 2, and (e)(5):** Three Items
- 8C. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:** significant exposure to litigation pursuant to **Government Code Section: 54956.9 (d), paragraph 2, and (e)(4):** One Item

9. ADJOURN MEETING

**The next regular Board of Directors meeting is scheduled for
September 20, 2017, 6 pm at the
Arroyo Grande City Council Chambers,
215 E. Branch Street, Arroyo Grande, California 93420**

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER**

09/06/2017 FY 2017/2018

VENDORS	BUDGET LINE ITEM	DESCRIPTION	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ALLIED ADMINISTRATORS	DENTAL INSURANCE	Oct-17	09062017-2367	19-6025	716.33	716.33
AMERICAN BUSINESS MACHINES	OFFICE SUPPLIES	336322	2368	19-8045	282.04	282.04
AMY SIMPSON	MEDICAL REIMBURSEMENT	FY 17/18	2369	19-6075	55.00	55.00
ARAMARK	UNIFORMS	8356,1361,4375,5246	2370	19-7025	745.84	745.84
ARROYO GRANDE GLASS & WINDOWS	SAFETY SUPPLIES	1206	2371	19-8056	292.75	292.75
ATLAS PERFORMANCE IND.	ADMIN OFFICE SPACE	R1100300	2372	19-7040	450.00	450.00
AT&T	COMMUNICATIONS	AUG 8-SEPT 7 2017	2373	19-7013	335.68	335.68
BURDINE	PROF SERVICES-PUBLIC OUTREACH	NEWSLETTER	2374	19-7065	2,499.37	2,499.37
BRENNTAG	PLANT CHEMICALS	BPI759943	2375	19-8050	4,247.40	4,247.40
BURKE AND PACE	UNEXPECTED MAINTENANCE	01-113032-00	2376	19-8030 2017-A1-27	212.27	212.27
CALIFORNIA ELECTRIC SUPPLY	EQUIPMENT MAINTENANCE	7826-704464	2377	19-8030	34.75	34.75
CENTRAL COAST TECHNOLOGY	COMPUTER SUPPORT	1047/1124/1178	2378	19-7082	1,053.43	1,053.43
CHARTER	COMMUNICATIONS	8245 10 101 0130627	2379	19-7013	101.47	101.47
CHARTER	COMMUNICATIONS	8245 10 101 0085060	2380	19-7013	382.19	382.19
GROVER BEACH POLICE DEPARTMENT	BOARD SERVICE	0000002/JUNE-AUG 2017	2381	19-7075	827.41	827.41
CITY OF GROVER	BILLING	Aug-17	2382	19-7081	1,753.25	1,753.25
CWEA	MEMBERSHIP	000051509I/JONES	2383	19-7050	180.00	180.00
DOWNEY BRAND	OUTSIDE COUNSEL	514153	2384	19-7070	1,642.02	1,642.02
FAYE RUSSO E.A TAX ACCOUNTING	PROF SERVICES-FISCAL SERVICES	Aug-17	2385	19-7083	2,755.00	2,755.00
FEDEX	CHEMICAL ANALYSIS	5-902-68570	2386	19-7078	39.28	39.28
FIVE CITIES STORAGE	ADMIN OFFICE SPACE	AUG 2017/ INV 37207	2387	19-7040	170.00	170.00
GALCO	UNEXPECTED MAINTENANCE	AA1363801	2388	19-8030 2017-A1-27	449.26	449.26
GRAINGER	EQUIPMENT MAINTENANCE	9536179949/9530345876	2389	19-8030	276.55	276.55
GRAND AWARDS	OFFICE SUPPLIES	16288	2390	19-8045	53.88	53.88
HOPKINS TECHNICAL PRODUCTS	EQUIPMENT MAINTENANCE	3617300902	2391	19-8030	351.86	351.86
HAULAWAY	EQUIPMENT RENTAL	1733731	2392	19-7032	93.80	93.80
JB DEWAR	FUEL	853722	2393	19-8020	56.81	56.81
JIM HILL	PROF SERVICES BOARD MEMBERS	AUGUST 2017	2394	19-7075	200.00	200.00
JOHN CLEMONS	MEDICAL REIMBURSEMENT	FY 17/18	2395	19-6075	88.60	88.60
JOHN CLEMONS	PROF. CERT/LICENSE	SWRCB REIMBURSEMENT GRADE V	2396	19-7055	440.00	440.00
JOHN SHOALS	PROF SERVICES BOARD MEMBERS	AUGUST 2017	2397	19-7075	200.00	200.00
JWC ENVIRONMENTAL	HEADWORKS	87839	2398	19-8030 2017-A1-27	392.17	392.17
KAREN WHITE	PROF SERVICES BOARD MEMBERS	AUGUST 2017	2399	19-7075	100.00	100.00
KENNEDY/JENKS CONSULTANT	REDUNDANCY PROJECT	114569	2400	20-7080	24,467.84	24,467.84
LINDA AUSTIN	PROF SERVICES BOARD MEMBERS	AUGUST 2017	2401		100.00	100.00
MARIO DE LEON	MEDICAL REIMBURSEMENT	FY 17/18	2402	19-6075	440.00	440.00
MINERS	EQUIPMENT MAINTENANCE	AUG 2017	2403	19-8035	336.04	336.04
MICHAEL K. NUNLEY & ASSOCIATES	DIGESTER 1	3623	2404	19-7077	1,062.50	1,650.06
	HEADWORKS	3633		26-8065	422.56	
	REDUNDANCY PROJECT	3677		20-7080	165.00	
OILFIELD & ENVIRO. COMPLIANCE	CHEMICAL ANALYSIS	1703042,1702203,1702544,1702584,1702824,1703126,1703212	2405	19-7078	870.00	870.00
PAUL J. KARP P.E.	PROF SERVICES-ENGINEERING	AUG 2017	2406	19-7077	5,700.00	5,700.00
PG&E	ELECTRICITY	7/11/2017-8/9/2017	2407	19-7091	14,633.87	14,633.87
PRAXAIR	EQUIPMENT RENTAL	78631024	2408	19-7032	29.73	29.73
READY REFRESH	HOUSEHOLD EXPENSE	17H0012917373	2409	19-8035	20.68	20.68
SAFETY KLEEN	CHEMICAL ANALYSIS	74178453	2410	19-7078	371.19	371.19
SPRINT	COMMUNICATIONS	205201234-145	2411	19-7013	220.13	220.13
SWRCB	PROF. CERT/LICENSE	CLEMONS	2412	19-7055	340.00	340.00
UNITED STAFFING	TEMP LABOR SERVICES	96109	2413	19-6085	530.14	530.14
VWR	LAB SUPPLIES	1647	2414	19-8040	144.57	144.57
SUB TOTAL					\$ 71,332.66	\$ 71,332.66
SO. SLO CO. SANITATION DISTRICT	PAYROLL	PPE 8/18/22017	2415	19-6030 19-6040 19-6045 19-6090	25,270.75	47,484.12
	CALPERS HEALTH	SEPTEMBER 2017		19-6010	18,345.74	
	CALPERS RETIREMENT	PPE 8/18/22017		19-6060	3,000.90	
	CALPERS GASB-68	REPORTING SERVICES FEE		19-6010	700.00	
	WEBHOSTING	8/17/17-9/17/17			166.73	
GRAND TOTAL					\$ 118,816.78	\$ 118,816.78

We hereby certify that the demands numbered serially from 09062017-2367 to 09062017-2415 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

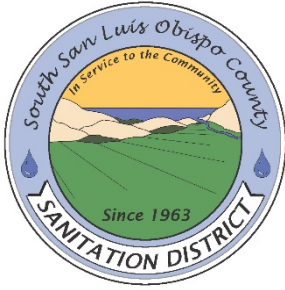
DATE:

Chairman

Board Member

Board Member

Secretary



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

Post Office Box 339, Oceano, California 93475-0339
1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765
www.sslocsd.us

**ACTION SUMMARY MINUTES
of the SPECIAL MEETING
BOARD OF DIRECTORS MEETING**

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

Wednesday, July 26, 2017, at 4:30 p.m.

1]

1. CALL TO ORDER AND ROLL CALL

Vice Chair Austin called the meeting to order at 4:48 p.m. and recognized a quorum.

Present: Jim Hill, District Director, City of Arroyo Grande
Linda Austin, Vice Chair, Oceano Community Services District

District Staff: Gilbert A. Trujillo, District Legal Counsel
Wendy Stockton, District Legal Counsel

Absent: John Shoals, Director, City of Grover Beach
Gerhardt Hubner, District Administrator

2. PLEDGE OF ALLEGIANCE

Director Shoals arrived to the meeting at 4:50 p.m.

3. PUBLIC COMMENTS ON ITEMS APPEARING ON AGENDA

Chairman Shoals opened the Public Comment period.

Teri Kleir commented on leadership at the District, reduction of costs under Clemons, changes in consultant fees, grievances filed, meetings being held in the Community and a petition to take the District back.

Ron Arnoldsen asked the Board what would your constituents want you to do.

Mary Lucey stated the problem with the public comment process is asking the Public to comment on something they are only guessing what to comment on.

Patty Welsh stated that Gerhardt Hubner is not present at the meeting and it is her hope that he is not the subject of the meeting.

Kris Victorine commented on Director Shoals suggesting at the July 5, 2017 meeting that an executive committee for technical oversight be appointed and since the District has a full time Administrator it shouldn't be necessary to retain people from the outside

Patricia Price spoke on not knowing what the Litigation is about, and she would like more information on the legal fees.

John Clemons commented on having Closed Sessions on the Agenda for over a year, having two attorneys at the meeting, needing someone to take leadership, needing to change the direction the District is going and spending \$20,000 a month in legal fees with nothing to show for it.

Chairman Shoals closed the Public Comment period.

In response to a question from the Chairman, District Legal Counsel Trujillo advised the Board that the Brown Act requires a Public Comment period for matters appearing on the Special Meeting Agenda. The Agenda for the July 26, 2017 Special Meeting complies with the Brown Act.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraphs (2) of subdivision (d) and (5) of subdivision (e) of Section 54956.9: (one potential case).

The Board recessed to Closed Session at 5:05 p.m.

5. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

The Board reconvened from Closed Session at 5:58 p.m.

District Legal Counsel Trujillo announced that there was no reportable action.

6. ADJOURN MEETING

The Chairman adjourned the meeting at 5:59 p.m.

The next regularly scheduled Board meeting is at 6 p.m. on August 2, 2017, at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433.



**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

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, August 2, 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: John Shoals, Chairman, City of Grover Beach
Linda Austin, Vice Chair, Oceano Community Services District
Jim Hill, Director, City of Arroyo Grande

District Staff: Paul Karp, Technical/Administrative Services Advisor
Gilbert A. Trujillo, District Legal Counsel

2. PLEDGE OF ALLEGIANCE

Chairman Shoals led the Pledge of Allegiance.

3. AGENDA REVIEW

Upon 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.

Julie Tacker commented on items that continue to not be on the Agenda, the Public deserving a full explanation of former District Administrator Hubner's separation from the District, her continued request as to why Liebert Cassidy Whitmore was retained, and she looks forward to seeing the District's Strategic Plan.

Shirley Gibson, Halcyon, spoke regarding former District Administrator Hubner's success was dependent on a supportive environment which did not exist during his employment and the District Board doing their due diligence when looking at applications for a new District Administrator.

Mary Lucey, Oceano, commented on the Board keeping personnel issues confidential, a memo from Director Hill and the Board providing more leadership and protection for the District employees.

Coleen Kubel stated the need to look forward and that no one should be criticized.

Patty Welsh agreed with the previous speaker.

Debbie Peterson, Grover Beach, read excerpts from the 1714 Riot Act of the Parliament of Great Britain and the Ralph M. Brown Act.

Patricia Price read excerpts from the Ralph M. Brown Act.

Ron Holt, Arroyo Grande, commented on the Ralph M. Brown Act, a cease and desist order being ignored, improper notice of Closed Session items, employees not given a reason for Admin Leave, public apology for Director Hill, John Clemons and Amy Simpson, certificates for Harassment and Brown Act trainings.

Ron Arnoldsen commented on Closed Session items, no report of actions taken in Closed Session and the former District Administrator.

Chairman Shoals closed the Public Comment period.

Chairman Shoals welcomed Paul Karp and asked the District Counsel to comment on Closed Session Brown Act requirements.

Gil Trujillo, District Legal Counsel, advised the Board the Brown Act had been followed to the best of their ability and knowledge and there had been no violations of the Brown Act.

Director Hill commented on the memo referenced by Mary Lucey.

Chairman Shoals spoke of the public being allowed to make comments and working toward meetings decorum.

5. CONSENT AGENDA:

Director Hill requested each Consent Agenda item be taken separately.

5A. Approval of Warrants

Director Hill commented on the legal and Human Resource fees and stated he would be voting against the Warrants because of those fees.

Chairman Shoals opened the Public Comment period.

Julie Tacker commented on outside legal bills coming back to the Board if they exceeded \$20,000, not knowing if the legal bills are coming out of last the Fiscal Year budget or the current budget, her concern about six invoices for Liebert Cassidy Whitmore on one Warrant Register, if there is one big investigation or little ones, a large

check from the Regional Water Quality Board, ground water modeling, intrusion of sea water in 2009, and cost for the Redundancy Project.

Mary Lucey, Oceano, spoke of high legal costs when negotiating employee contracts.

Debbie Peterson, Grover Beach, compared the District's legal costs to other Districts.

Chairman Shoals closed the Public Comment period.

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

Second: Director Shoals seconded the motion.

Action: Motion was approved 2 - 1. Director Hill voted NO.

Ayes: Directors Austin and Shoals

Noes: Director Hill

5B. Approval of Minutes of Meeting of July 19, 2017

Chairman Shoals advised he had not been present at the July 19, 2017 Board of Directors meeting.

Director Hill also advised he was not at the July 19, 2017 Board of Directors meeting and requested District Legal Counsel's opinion on whether they should vote on the Minutes.

District Legal Counsel Trujillo advised not being present at a meeting did not bar a member from voting on the Minutes if they have viewed the video or listened to a tape recording of the meeting and they are familiar with the contents of the meeting.

Chairman Shoals opened the Public Comment period.

There being no Public Comment Chairman Shoals closed the Public Comment period.

Motion: Director Austin made a motion to approve the Minutes of July 19, 2017.

Second: Director Hill seconded the motion.

Action: Motion was approved 2 – 0. Since he was not in attendance at the July 19, 2017 meeting nor had he viewed or listened to a recording of the meeting Director Shoals abstained from the vote.

Ayes: Directors Austin and Hill

Noes: None

Abstain: Director Shoals

5C. Financial Review for June

Director Hill commented that revenues throughout the last Fiscal Year are itemized at \$4.99 million with expenses at \$4.8 million, the District dispenses a total of \$400,080.00, almost \$1 million of revenues exceeded expenses. He further commented

that when comparing the cash balance of June 30, 2016 at \$5.5 million he would expect to see an increase of District funds somewhere between \$6.4 and \$6.5 million but the District is only reporting \$5.8 million. He stated he was concerned about a discrepancy of somewhere between \$600 - \$700 thousand.

Paul Karp, Technical/Administrative Services Advisor stated he would review the financials and report to the Board at the next meeting.

Chairman Shoals opened the Public Comment period.

6. ACTION ITEMS:

6A. APPROVE HIRING OF PAUL KARP AND RICK SWEET TO PROVIDE SPECIALIZED TECHNICAL SERVICES TO THE DISTRICT FOR UP TO SIX MONTHS; AUTHORIZE THE BOARD CHAIR TO EXECUTE CONTRACTS FOR THEIR SERVICES

District Legal Counsel Trujillo provided details of the proposed contract.

Director Hill suggested revisions be made to the Resolution and contract to include administrative services.

Chairman Shoals opened the public comment period.

Julie Tacker, Los Osos, called a point of order regarding decorum at the meeting. She spoke on there being no contracts for the public to review, and the Board needing to find a new District Administrator.

Amy Simpson, Oceano, questioned the account numbers listed in the Resolution.

Debbie Peterson, Grover Beach, commented on Paul Karp returning to the District, the Knudsen Report, and August 13, 2015 Minutes.

Mary Lucey, Oceano, spoke on the contract signed by John Clemons when he was Interim District Administrator, record requests and other items that will bog down the District Administration.

Chairman Shoals closed the Public Comment period.

Legal Counsel Trujillo advised there was not time to negotiate a contract before the Agenda had to be made available to the Public.

Director Hill stated he was delighted to see the return of Paul Karp and Rick Sweet and for transparency he would like to see their contract brought back to the Board.

Motion: Director Hill made a motion to adopt Resolution No. 2017-374, of the South San Luis Obispo County Sanitation District Board of Directors approving the hiring of Paul Karp and Rick Sweet to provide specialized technical and administrative services to the District, change to say technical and administrative services to the District for up to six months, and authorize and directing the Board Chair to bring the contract back at the next regular meeting for approval; and the language in the Resolution to be changed to coincide with that, specifically the first Whereas to say short-term needs for specialized technical and administrative services; the second line to provide specialized technical and administrative services to the District the change to say, technical and administrative services to the District for up to six months and authorizing and directing the Board Chair to bring the contract back at the next regular meeting for approval and the language in the Resolution to be changed to coincide with that, specifically the first Whereas that says short-term needs for specialized technical and administrative services, the second line would say to provide specialized technical and administrative services, the Resolution in item 1 would say hire to provide specialized technical and administrative services and item 2 would say the Board Chair or his designee is authorized and directed to return the contract for approval at the next regular meeting of the Board.

Second: Director Austin seconded the motion.

Action: Motion was approved unanimously by roll call vote.

Ayes: Directors Hill, Austin and Shoals

Noes: None

Abstain: None

6B. ADOPTED FISCAL YEAR 2017-18 BUDGET

Mr. Karp advised the Board that all changes had been identified and made except the transfer from Fund 19 to Fund 20 due to no specific amounts or percentages listed in the rate Ordinance for the Redundancy Project.

Director Hill commented on the rate study and amounts being identified in the budgets specifically for the Redundancy Project.

Chairman Shoals opened the Public Comment period.

Julie Tacker, Los Osos, commented on supporting documents that go with the 218 process are one package, staff not going back far enough with their research on the rate study and the transfer needs to happen.

Debbie Peterson, Grover Beach, read excerpts from the code regarding Budgets and revisions to the Budget.

Chairman Shoals closed the Public Comment period.

Chairman Shoals stated no one was interested in diverting funds.

Director Hill commented on the Board not being diligent on district funds, but he would like to see a fund within Fund 20 set aside for the Redundancy Project specifically.

6C. DISTRICT ADMINISTRATOR AND PLANT OPERATION'S REPORT

Mr. Karp spoke on there being forward progress on each project in the Report.

Director Hill spoke on financing regarding a request for a number of items from the Regional Water Quality Control Board in regard to the State Revolving Loan.

Mr. Karp advised each item is in process.

Chairman Shoals opened the Public Comment period.

Julie Tacker, Los Osos, spoke on the District loan application being incomplete, not knowing if the Community of Oceano is still a disadvantaged community, the District Control building, the trailer, the C-Train, the Human Resources Personnel Policy Manual update and an update from the July 28, 2017 meeting.

Debbie Peterson, Grover Beach, commented on a publication from the Attorney General's office regarding the Brown Act, and the press release regarding the former District Administrator.

Patty Welsh, Arroyo Grande, spoke on Public Comment.

Patricia Price, Arroyo Grande, read excerpts from the Brown Act.

Chairman Shoals called a recess at 7:20 p.m.

Chairman Shoals reconvened the meeting at 7:25 p.m.

Chairman Shoals closed the Public Comment period.

Chairman Shoals stated that the Board takes their guidance regarding the Brown Act from the District's Legal Counsel and it is his hope that future meetings can move forward in a positive way.

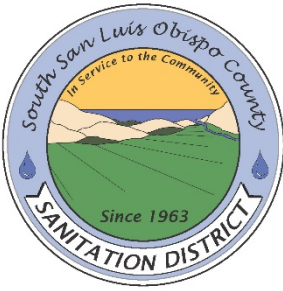
7. BOARD MEMBER COMMUNICATIONS

Director Hill requested four items be placed on the Agenda 1) Review of the Budget for actual attorney costs as of the end of July for Fiscal Year 2016/17, 2) place on the next agenda the number of and subjects of all investigations being conducted and associated costs, 3) full discussion of the agreement with the former Administrator and the vote taken and 4) an item to advise to return Mr. Clemons and Ms. Simpson to their positions.

8. ADJOURN MEETING

The meeting was adjourned at 7:30 p.m.

The next regularly scheduled Board meeting is on August 16, 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**

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

BOARD OF DIRECTORS MEETING
Arroyo Grande City Council Chambers
215 E. Branch Street
Arroyo Grande, California 93420

**Action Summary Minutes of the
Meeting of Wednesday, August 16, 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: John Shoals, Chairman, City of Grover Beach
Jim Hill, Director, City of Arroyo Grande
Karen White, Alternate Director, Oceano Community Services District

District Staff: Rick Sweet, Technical/Administrative Services Consultant
Gilbert A. Trujillo, District Legal Counsel

2. PLEDGE OF ALLEGIANCE

Chairman Shoals led the Pledge of Allegiance.

3. AGENDA REVIEW

Director Hill called for a moment of silence in honor of Pfc George B. Murray.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

Chairman Shoals opened the Public Comment period.

Ron Holt commented on the California Attorney General's interpretation of the Ralph M. Brown Act.

Debbie Peterson spoke regarding being cut-off during Public Comment, the Ralph M. Brown Act, failure to allow Board Members to place items on the Agenda, and secret meetings.

Julie Tacker commented on prompt response of public records requests, former District Administrator's relocation expenses, payroll anomalies, Brown Act violations, former District Administrator's lack of ethics and harassment trainings, and not reporting out of Closed Session.

Patricia Price spoke on review of the 2016 Budget, number and subject of current investigations, discussions regarding former District Administrator, return of employees currently on admin leave and discussion on the location of the August 16, 2017 meeting.

Ron Arnoldsen commented on the Board of Director's leadership, litigation, witch hunts, current investigations, number of people currently doing work of employees on Admin leave, and inappropriate noises from the audience at the last Board meeting.

April Drury spoke on public speaker's community or location of residence being included in the Minutes, review of the financials not on the Agenda, and the former Administrator's employment separation.

Chairman Shoals closed the Public Comment period.

5. CONSENT AGENDA:

Director Hill requested each Consent Agenda item be taken separately.

5A. Approval of Warrants

Director Hill commented on the high legal fees.

Chairman Shoals opened the Public Comment period.

Ron Holt spoke on legal fees.

April Drury commented on payroll expense.

Julie Tacker spoke on legal fees, former Administrator's training, accounting costs, payroll and the former Administrator's separation from the District.

Ron Arnoldsen commented on legal fees and payroll costs.

Chairman Shoals closed the Public Comment period.

Motion: Director White made a motion to approve the Warrant Register.

Second: Director Shoals seconded the motion.

Action: Motion was approved 2 - 1. Director Hill voted NO.

Ayes: Directors White and Shoals

Noes: Director Hill

Upon consensus of the Board of Directors staff was directed to place on a future agenda discussion of legal fees.

5B. Approval of Minutes of the Special Meeting of July 26, 2017

Director Hill commented on the lack of information reported out from Closed Session.

Chairman Shoals opened the Public Comment period.

Julie Tacker spoke on no action being reported out of Closed Session and an alleged Brown Act violation.

Ron Arnoldsen commented on transparency.

Patricia Price requested an investigation of the former Administrator's skills.

Chairman Shoals closed the Public Comment period.

Discussion was held regarding reporting out of Closed Session.

District Legal Counsel Trujillo advised they were in compliance with the Brown Act.

Chairman Shoals stated the vote on the separation agreement was a 2 – 1 vote with Director Hill voting No. He further stated it was a unanimous approval by the Board to give the former District Administrator relocation fees.

5C. Approval of Minutes of Meeting of August 2, 2017

Director Hill spoke on 5C of the financial review and the discrepancy of \$800k net income to the District not being reflected in the District accounts.

Chairman Shoals opened the Public Comment period.

Julie Tacker commented on the addition of the public speaker's community of residence, and the reason why she called for Point of Order.

Ron Arnoldsen spoke on Director Hill requesting four items be placed on the Agenda.

Patricia Price commented on the Plant Superintendent and Secretary/Bookkeeper.

Chairman Shoals closed the Public Comment period.

Director Hill commented on community of residence, financial review issue and the meeting location.

6. ACTION ITEMS:

6A. APPROVAL OF CONTRACTS WITH TECHNICAL CONSULTANTS; AUTHORIZE THE BOARD CHAIR OR HIS DESIGNEE TO EXECUTE CONTRACTS FOR SPECIALIZED TECHNICAL AND ADMINISTRATIVE SERVICES TO THE DISTRICT FOR UP TO SIX MONTHS

District Legal Counsel Trujillo provided an overview of the Technical Consultants agreement.

Chairman Shoals opened the Public Comment period.

Julie Tacker commented on her interactions with Messrs. Karp and Sweet, the Technical Consultants agreement, Messrs. Karp and Sweet's leadership and there being no formal relocation agreement.

Chairman Shoals closed the Public Comment period.

Director Hill commented on his endorsement of Messrs. Karp and Sweet. He requested changes be made to section 2f of the agreement District Board Meetings from “Under Director of the Board Chair” to “Under Direction of the Board of Directors”.

Motion: Director Hill made a motion to approve the agreement for Messrs. Karp and Sweet with the change to section 2f of the agreement to read “Under Direction of the Board of Directors” under the condition that Board look at the policy and review the policy to make sure the policy is not in conflict with this.

Second: Director White.

Action: Motion was approved by unanimous vote.

Ayes: Directors Hill, White and Shoals

Noes: None

Staff was directed to bring the By-Laws back for discussion.

6B. TECHNICAL CONSULTANTS AND PLANT OPERATIONS REPORT

Technical Consultants and Plant Operations report was given.

Director Hill commented on training for staff.

Chairman Shoals opened the Public Comment period.

Julie Tacker commented on the Redundancy Project, Administrative trailer, C-Train, the fixed film reactor, and staff training.

April Drury spoke on a report back on the \$800k discrepancy.

Chairman Shoals closed the Public Comment period.

The Report was received and filed.

7. BOARD MEMBER COMMUNICATIONS

Director White commented on the upcoming service for Pfc George B. Murray.

Director Hill read a statement in regard to the results of an investigation on him that was posted on the District’s website.

Director Shoals commented on Director Hill’s statement.

Director White commented on some public comments being on the edge of legal slander.

8. CLOSED SESSION

District Legal Counsel Trujillo read Closed Session item into the Record.

Chairman Shoals opened the Public Comment period.

Patricia Price commented on slander.

Julie Tacker spoke on Union negotiations.

Chairman Shoals closed the Public Comment period.

District Legal Counsel Trujillo reported out direction was given to the District Negotiators.

9. ADJOURNMENT

The meeting was adjourned at 8:30 p.m.

**The next regular Board meeting is scheduled for September 6, 2017,
6 pm at the Arroyo Grande City Council Chambers, 215 E. Branch
Street, Arroyo Grande, California 93420**

Statement on Joint Investigation

Voters expect mayors and board members to exercise oversight of city or district executives and their activities. Mayors and board members who fail to provide that oversight are not serving the public trust.

The allegations that led to the expensive Liebert, Cassidy, Whitmore investigation were obviously a political attack. The pointless investigation took six months and reviewed over 2500 documents supplied by my detractors- primarily sources from a former Sanitation District director and the recently departed District administrator. The investigator left one voicemail asking for contact. I had my attorney, Stew Jenkins, contact him and the Fresno firm that hired him as I was leaving on vacation.

Liebert, Cassidy, Whitmore refused to provide Mr. Jenkins either what accusations they desired me to respond to, or the identities of the accusers. They broke contact when those fundamental elements of due process were requested.

Many of the "documents" in the report they released August 7th are misrepresented to be email strings. These appear to have been assembled by the investigator or others who supplied them to the investigator as being connected. They do not reflect the content of emails I actually sent. There are several other errors in the report. Had Liebert, Cassidy, Whitmore and their investigator complied with basic due process by providing the accusations, the accusers, and the falsified documents supplied by my accusers, these would easily have been cleared up.

Sewage treatment to preserve the health of Arroyo Grande residents is among the most important services the City provides. The Mayor serves on the Sanitation District Board by California statute to oversee and assure that sewage is safely and fully treated at reasonable cost and residents expect active and diligent attention to that function.

On taking office at the Sanitation District, I was aware the plant had been very poorly run near the end of a previous long serving administrator's term. The District had been plagued by corruption and mismanagement. The biological process had not been maintained and huge amounts of chlorine were used as a stopgap before discharging sewage to the ocean. Two years previous to my taking office, a new temporary administrator, an experienced engineer, and the current superintendent, Mr. John Clemons, took over and restarted the biological process; the current superintendent Mr. Clemons then continued to operate the plant very well in the interim despite severe financial constraints; indeed even the financial outlook materially improved on his watch. His efforts served the residents of the District well and it had clearly turned around, but these efforts may have resulted in embarrassment to some Board members whose prior oversight had been less than adequate.

Not long after taking office, I received a copy of an email from someone using the pseudonym "trinity neo" and directed to the superintendent. This email contained the most vile and reprehensible racial slurs imaginable about the superintendent, who is African-American, and disparaged the superintendent in a profane diatribe that also touched on his personal relationship with the District secretary who is white. I contacted the superintendent who said he had received other similar emails previously and had become very uncomfortable. Despite those previous emails being copied to District directors, nothing had been done. I immediately gave the email to the Arroyo Grande Police, who also contacted and worked with the Sheriff's office. Meanwhile I received more of these email copies. The police were eventually able to trace the source to an individual desiring the superintendent's position. Despite the disgusting content, the emails were not deemed to merit criminal prosecution. Also during this time, in meetings she attended, then District director Mary Lucey would often comment adversely on the superintendent's personal relationship, and would attempt to provoke the superintendent with side comments disparaging him and his performance. No investigation of these instances was ever conducted.

The now recently departed District administrator was subsequently engaged. Apparently at the instigation of then Board member Lucey, and apparently with at least acquiescence of the current Board chairman, the administrator soon began a series of very expensive and highly questionable investigations about the superintendent. Those investigations were commenced without Board vote or direction. On behalf of District residents, I have objected to those expenses and the disruption to operation of the Sanitation District that resulted.

Although the superintendent had no other recourse, the board was not informed of the nature or even the numbers of these investigations started by the administrator.

The superintendent and District secretary were put on administrative leave with no explanation given, but almost immediately two friends of other Board members were hired by the administrator to replace the one secretary. I asked repeatedly for agenda items for the board to be able to discuss and understand what was happening but never received approval from my Board colleagues. I was occasionally told by counsel that the Chairman was aware of the investigations. The Chairman has no more right to information than any other member and there is no excuse for him to have more information than the rest of the Board.

The residents of Arroyo Grande, who make up half of those served by the Sanitation District have a right to have a fully informed Board member actively engaged to assure that the sewage treatment plant is operated effectively, efficiently and at low cost, especially considering the past history of corruption and mismanagement. Sewage

treatment must not be a cash cow benefitting individuals at the expense of the residents served.

Mr. Jenkins' office will release a direct response to each of the allegations, most of which were already deemed unfounded by the investigator. There is an item, however that merits additional comment. One internal Sanitation District investigation disclosed by the Liebert, Cassidy, Whitmore report was instigated by Ms. Lucey's wife, who was disingenuously represented as "a member of the public" to disguise her relationship to Ms. Lucey. This related to a meeting during which both of them commented adversely on the superintendent's personal relationship and who said she wasn't going to pay to wash the superintendent's' dirty underwear in respect to purchase of a washing machine for staff use in the event of accidental contamination.

I will not stand by in seeming acceptance of systematic proceedings against employees that appear to be racially motivated. I take my responsibility as a Director seriously and will continue to provide oversight of management and advocate for those efforts, such as redundancy and wastewater recycling, that will benefit District residents for years to come.

-Jim Hill



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339
1600 Aloha Place, Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765
www.sslocsd.org

Date: September 6, 2017
To: Board of Directors
From: Paul J. Karp and Richard Sweet, Technical Consultants
Subject: **Financial Review as of July 31, 2017**

Overall Financial Summary

As of July 31, 2017, the District has received total revenues of \$168,665. Of this amount, \$163,057 is for operating revenues, and \$5,608 is for non-operating revenues.

District expenses totaled \$164,266 as of July 31, 2017.

Local Agency Investment Fund

The balance in the District's LAIF account was \$2,440,866 as of July 31, 2017. Quarterly interest was received in the amount of \$5,608 and is included in the noted balance.

County of San Luis Obispo Treasury Pool

As of July 31, 2017, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$3,014,320. 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

As of July 31, 2017, the reconciled cash balance in the District's Rabobank account totaled \$139,974. This account has been used to process the District's contracted payroll provider service and other District expenditures.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
MONTHLY CASH REPORT JULY 2017**

Cash Balance at 06/30/17	\$ 5,807,624.90
Deposits	\$ 163,056.48
County Treasury Interest	\$ 0.00
LAIF Interest	\$ 5,608.07
Deposits from Property Tax Current	\$ 0.00
Deposits from Property Tax Delinquent	\$ 0.00
CalPERS Unfunded Liability-Annual	(50,162.00)
Prepayment	
Property Tax Fee	0.00
Warrant Register 07/05/17	(151,118.87)
Warrant Register 07/19/17	(107,377.23)
Misc Adjustment	(410.23)
Payroll 07/07/17	(33,150.44)
Payroll 07/21/17	(30,842.57)
CalPERS Medical/Health	0.00
CalPERS Retirement	(7,914.30)
Rabobank July Fees	(153.40)

Total July Activity	<hr/>
	\$ (212,464.49)

Cash Balance at 07/31/17	\$ 5,595,160.41
---------------------------------	-----------------

	CASH BALANCE
Cash by Institution	@ 07/31/17
Cash with County Treasury	3,014,320.08
Cash with LAIF	2,440,866.14
Cash with Rabobank	139,974.19
	<hr/>
	\$ 5,595,160.41



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339
1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765
www.sslocsd.org

STAFF REPORT

Date: September 6, 2017
To: Board of Directors
From: Paul J. Karp, Technical Services Consultant
Subject: **DISCUSSION OF LEGAL FEES; REVISE AMOUNTS TO LINE ITEMS FOR LEGAL EXPENSES OF ADOPTED BUDGET FOR FISCAL YEAR 2017-18**

RECOMMENDATION:

Discuss legal fees as follow up to the expressed desire of the Directors at the August 16, 2017 meeting; and

Adopt Resolution 2017-376 to modify line items in Fund 19, line 7070, Professional Services-Outside Counsel/Litigation from \$20,000 to \$50,000, and line 7071, Professional Services-Attorney Fees from \$48,000 to \$96,000 in order to facilitate the payment of invoices for legal services performed under agreements between the District and various consulting attorneys.

BACKGROUND AND DISCUSSION:

During the budget process, the Directors expressed their concern over the amount of funding being allocated to pay legal fees. In his presentation, the District Administrator had proposed an amount of \$50,000 for Outside Counsel and \$96,000 for Attorney Fees. When approving the budget for Fiscal Year 2017-18, the Board adopted the amounts for 19-7070 to reflect a reduced amount of \$20,000, and line 19-7071 to reflect the reduced amount of \$48,000.

The expenditures through August 23, 2017 for outside attorney Liebert Cassidy are nearly \$36,000; and a little over \$41,000 for District Counsel. One additional invoice from an outside attorney has already come in since Agenda preparation. We believe it is appropriate to reinstate both the line item amounts to the original recommendation. It is our belief that additional adjustments will probably be necessary before the end of the Fiscal Year. As we conclude the various investigations, the need for legal services should decrease.

If the Board implements the staff recommendation, the resulting budget total for Fund 19 will change from \$3,948,400 to \$4,026,400.

Options

1. Adopt the resolution approving the proposed revisions discussed above increasing allocations for the payment of services provided by consulting attorneys;
2. Do not adopt the resolution; or
3. Provide further direction to staff.

Fiscal Consideration

Funds are available to reinstate the original recommendation for legal services within the District's allocated 2017-18 Fiscal Year.

RESOLUTION NO. 2017-376

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT BOARD OF DIRECTORS AMENDING
THE FY 2017-18 BUDGET**

WHEREAS, the Board of Directors has previously adopted a 2017-2018 budget consisting of Operating Fund 19, Expansion Fund 20, and Replacement/Improvements Fund 26; and

WHEREAS, District Staff has reviewed the account line items under Fund 19 included in the 2017-2018 adopted budget; and

WHEREAS, District Staff has identified the account line items which will require additional monies than originally budgeted; and

WHEREAS, District Staff believes amending these account line items to reflect actuals will produce a trend that can be used for future budgeting efforts; and

WHEREAS, the Board believes the recommended amendments are in the best interest of the public's health, safety and general welfare.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, South San Luis Obispo County Sanitation District, San Luis Obispo County, California, that the 2017-2018 budget shall be amended as follows:

1. Account 19-7070, Professional Services – Outside Counsel/Litigation: Increase to the budget line item by \$30,000 for a total budget of \$50,000. The funds for this adjustment come from Account 19-4005 beginning fund balance.
2. Account 19-7071 Professional Services – Attorney Fees: Increase to the budget line item by \$48,000 for a total budget of \$96,000. The funds for this adjustment will come from Account 19-4005 beginning fund balance.

PASSED AND ADOPTED at a regular meeting of the South San Luis Obispo County Sanitation District Board of Directors held this 2nd day of August, 2017.

On motion of _____, seconded by _____, and by the following roll call vote:

AYES:
NOES:
ABSENT:
CONFLICTS:

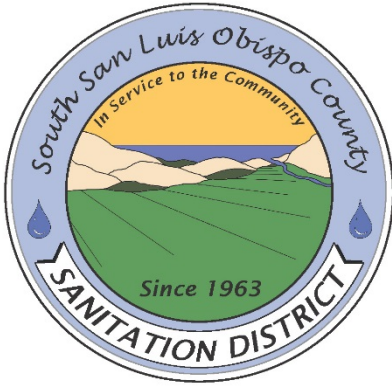
CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held on August 2, 2017.

**PAUL J. KARP OR RICHARD SWEET
TECHNICAL CONSULTANTS**

**JOHN SHOALS, CHAIR
BOARD OF DIRECTORS
SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

**GILBERT A. TRUJILLO
DISTRICT CO-COUNSEL**



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

Date: September 6, 2017
To: Board of Directors
From: Paul J. Karp, Technical/Administrative Services Consultant
Subject: **APPOINTMENT TO SAN LUIS OBISPO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT ZONE 1 AND 1A, ADVISORY
COMMITTEE**

RECOMMENDATION:

1. The Board recommend Mr. Paul J. Karp as the District's representative, to the San Luis Obispo County Flood Control and Water Conservation District Zone 1 and 1A, Advisory Committee to fill the vacancy of Gerhardt Hubner, and
2. Direct staff to submit an application to the County Board of Supervisors for formal consideration and appointment.

BACKGROUND

In 2001, the San Luis Obispo County Board of Supervisors formed the San Luis Obispo County Flood Control and Water Conservation District Zone 1 and 1A, Advisory Committee to provide input on the maintenance and operation of the flood control facilities for the Arroyo Grande and Los Berros Creeks. The Advisory Committee is made up of seven members. Due to the District's significant interest in successful operation of the flood control facilities, the District has traditionally been represented on the Advisory Committee. In June 2016, the Board appointed Mr. Gerhardt Hubner as the District's representative. Mr. Hubner is no longer with the District leaving the need for a replacement representative.

DISCUSSION:

Mr. Karp has a number of years' experience in the District's facilities and flood prevention methods employed at the District property. Mr. Karp is available to participate in the Advisory Committee. The cost to the District as the District's representative is estimated to be \$200/month.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339
1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765
www.sslocsd.org

STAFF REPORT

Date: September 6, 2017
To: Board of Directors
From: Technical Consultants
Subject: **JOINT INVESTIGATION WITH ARROYO GRANDE; STATUS AND DIRECTION TO STAFF**

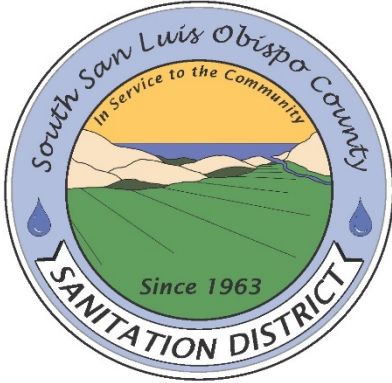
RECOMMENDATION:

That District Counsel provides a status of the Joint Investigation with Arroyo Grande and the Board provides direction to staff.

BACKGROUND AND DISCUSSION:

On March 1, 2017 Board meeting, the Board approved a request from the City of Arroyo Grande to participate in an independent joint investigation of alleged misconduct by the Mayor of Arroyo Grande concerning his representation on the District Board. The investigation was completed in early August and is available to the public at the District website (sslocsd.org).

The result of the investigation and the reaction to the conclusion of the investigation presents a myriad of options. District Counsel has requested that Counsel provides a status report and seek direction from the Board.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

<http://www.sslocsd.org/>

Date: September 6, 2017

To: Board of Directors

From: Paul Karp and Richard Sweet, Technical Consultants; Fanny Mui, Interim Plant Superintendent

Subject: **TECHNICAL CONSULTANTS AND PLANT OPERATION'S REPORT**

This report represents ongoing information on latest District staff activities on, major capital project and studies, programmatic initiatives, regional collaboration, NPDES discharge permit renewal, Plant Operation's report detailing our operation and maintenance activities. *Updates since the last report are provided in italics below:*

Major Capital Projects:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project:**

CEQA: Status: Complete. Board approved MND at its September 7, 2016 meeting.
Regulatory permits: Complete. All Regulatory permits received.

At the June 21, 2017 Board meeting, the Board awarded a contract to Brough Construction Inc. in the amount of \$280,200. Since then an Agreement has been executed by both parties. A bird nesting survey was recently commissioned in order for the project to initiate work on August 1st. If birds are found, then the start date will need to be pushed back to September 1st per permits issued for the projects.

Mechanical Bar Screen – Status: Operational.

During the week of July 24th, Duperon representatives were on-site to install additional components and address remaining operational issues. *A final change order for approximately \$6,000 is being processed.* Final payment is pending completion of our punch list for project close out (final payment and record drawings).

- **Redundancy Project:**

Design: On March 16, 2016, the Board approved a design contract with Kennedy/Jenks for Phase I of this project. On June 21st, the Board approved proceeding with the remaining phases under the contract, including final design. On July 5th, the Board approved Optional Task 1.4A – Alternatives for Future Production of Recycled Water. Several meetings are planned with Kennedy/Jenks on August 2nd to discuss both the design for flood mitigation and progress on optional recycled water task.

A meeting with the Design team and stakeholders was held on Wednesday, August 2, 2017 to define Flood Hazard Mitigation priorities. *A phone conference between design team and Technical Consultants was held to define options and timeframes. Options will be presented to the board in late fall of 2017.*

Coastal Commission Permitting:

On May 10, 2017, the Commission voted unanimously to approve a 30-year Coastal Development Permit for the Project (see attached press release). The Commission approved revised Findings on June 7th finalizing their May 10th decision. The Notice of Intent to Issue a CDP was received from Coastal Commission staff on June 19th, and staff returned it acknowledging its receipt. Environmental Science Associates is under contract to develop the Coastal Hazard Plan, (one of the conditions contained in the CDP), and will be meeting/touring our facility on August 1st.

Financing:

State: All portions of the SRF loan package application have been submitted to SWRCB. On July 13th, staff attended a SWRCB SRF Policy and Prioritization workshop. At the workshop SWRCB staff presented the latest information on the program, future fund/loan availability (still more demand than funds availability), and suggestions from audience members on how to make the program more efficient. In addition, a conference call with SWRCB SRF loan staff was held on June 28th to discuss our application. Based upon the call, SWRCB staff has requested a number of submittals including recirculating the MND Addendum through the State Clearinghouse and Board re-adoption, updated cultural resources report, biological species lists for project area, and air quality modeling for construction. Staff will be bringing at a future meeting options to move forward on these submittals.

Federal: United States Department of Agriculture: On June 2nd, staff and MKN met on-site with two USDA representatives to discuss programs USDA administrates for funding wastewater infrastructure. The meeting was very positive, with indications the District could be eligible for grants and loans up to one third of the amount needed for the Redundancy Project through a disadvantageous community program. A follow-up meeting and tour of our WWTP was held July 11th. Additional items they are requiring include a preliminary engineering report, updated alternative analysis consistent with NEPA, and preparation of a categorical exclusion.

- **Biosolids Concrete Slab:** Preliminary engineering and design work is complete. With Coastal Commission approval now received, this project can proceed to the next step,

with bid advertisement, and award. We anticipate construction of this project (approximately \$33,000) occurring in late 2017 or Spring 2018.

- **Primary Digester No. 1 Cleanout and Structural Evaluation:** The District has two primary digesters at its facility. Primary Digester No. 1 (constructed in 1965) is long overdue for its regular clean out and inspection (last completed in 2005). In addition, staff and our consultant engineering firm MKN, are concerned with its structural integrity. The first phase is for the cleanout of the digester. The second phase will involve, after cleanout, an inspection and structural survey to determine the digester's structural integrity. Recommendations for any repairs are also proposed as part of this second phase. At the April 5th Board meeting, the Board approved funding for 1st phase of this project. An executed Agreement was recently issued to Wastewater Solids Management for \$243,690 and work is expected to start on August 21st. The temporary centrifuge has arrived from Pace, and is operational. District staff continues to prepare the plant for the project. During the week of August 8th, staff repaired a valve necessary to redirect sludge from digester no. 1 to digester no. 2. *Communications with the contractor indicate that project should begin in the second week of September. The high volume of solids harbored by the plant is creating operational and effluent issues.*

District Control Building and Office: Significant issues and problems are evident in the District's Operational and Administrative Building. The new concrete flooring for the building has been installed. The next steps are a thorough/deep cleaning of the building, replacement baseboards, interior painting and new furniture. *Painting is complete, computer communication equipment has been installed and the facility is operational.*

District staff executed a contract with an architectural firm for an audit/assessment of the existing building for disabled access and 2016 Building Code compliance. The Audit Report completed identifies a number of deficiencies that will need major and minor corrective actions. Surveying for the ADA ramps and project plans are projected to be completed in September.

Studies:

Recycled Water Planning Facilities Study Grant: Complete. Staff submitted the Final Study to SWRCB on June 9, 2017. We are awaiting SWRCB final acceptance and a letter allowing final reimbursement. Upon receipt of that letter, District staff will prepare the required documentation and invoice for submission.

Inflow & Infiltration (I & I) Study: The District's plant received significant increased flow this past wet weather season. A multiple phased I&I study approach is being utilized first with the installation of new flow meters to measure any increase flow from our member agencies collection system. Both Phase I and Phase II of the Study were included in the adopted Budget for Fiscal Year 2017-18. As the first step, District staff has purchased another flow meter to collect data for one of our trunk lines

Programmatic Initiatives

Outreach Initiative: At the June 19th Board meeting, the Board approved the Summer 2017 Newsletter. Next steps include printing and distributing the Newsletter through our member agencies utility bills.

Office Job Trailer: *On August 31, 2017 the office job Trailer was removed from the site and returned to Atlas Performance Industries, Inc.*

Records Management Initiative: At the May 3, 2017, Board meeting the Board adopted a comprehensive overhaul of our existing Records Retention Policy. Staff is also considering various options for housing our C-Train records, as the C-Train must be removed by September 1st per the Coastal Commission CDP waiver issued back in December 2016. These options are being coordinated through the SLO District Attorney's office. *The Technical Consultants are considering options to allow the SeaTrain to remain onsite thereby allowing the records to remain onsite. The California Coastal Commission has been contacted to assess permitting requirements. The District is awaiting a response from the Commission.*

Human Resources/Personnel Policy Manual Update: All Sections of PPM have now been reviewed (including legal input), updated with significant and comprehensive revisions. Subsequently, the entire revised and updated Manual was sent to SEIU employee union representatives. At the June 17th meeting SEIU representatives provided comments on all Sections of the Updated PPM, except the job descriptions. Comments on the latter are expected at the July 28th meeting.

The negotiation team met with SEIU representatives on August 18th to discuss and refine SEIU's latest proposals and revisions to the draft Memorandum of Understanding .

Strategic Planning Initiative: The Strategic Planning Workshop has been postponed to September.

Financial Initiative: Annual Fiscal Year 2015-2016 Audit: District auditors Glenn Burdette, continue to work with staff to complete our Audit. On July 21st, staff received another list of open items to complete, and have tasked our bookkeeper to work with our Auditors to complete the items as soon as possible. *There has been a flurry of materials provided to Glenn, Burdett. Significant progress is being made towards completion of the audit.*

Regional Collaboration

- Regional Groundwater Sustainability Project (RGSP): This project consists of a potential future regional recycling project in the South San Luis Obispo County area in conjunction with the City of Pismo Beach, and the District (with participation of our member agencies: Cities of Arroyo Grande, Grover Beach, and Oceano CSD). On June 20th, the MOU between the City of Pismo Beach and the District was approved by the Pismo Beach City Council. The City also awarded a contract for the joint EIR to Rincon Consultants at that same meeting. *The Technical Consultants are meeting with the regional advisory group in September.*

- Northern Cities Management Area Technical Group - The NCMA TG, formed as a result of the Santa Maria Groundwater Basin (SMGB) Adjudication, is exploring various ways to protect and enhance future water supplies in the basin through groundwater monitoring, and the collection and analyzing of data pertinent to water supply and demand.
- Water Reuse, Central Coast Chapter - The Association is a not-for-profit association (501c6) of utilities, government agencies and industry that advocates for laws, policies and funding to promote water reuse and reclamation.
- Zone 1/1A Flood Control Advisory Committee – The Committee’s focus is to provide input and coordination on proposed improvements and maintenance of the Zone 1/1A flood facilities, working with the Coastal San Luis Resource Conservation District. *The Board will consider a proposal at this meeting to appoint Paul Karp, Technical Consultant to the District, to the Flood Control Advisory Committee.*
- Integrated Regional Water Management (IRWM). IRWM is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region-wide scale. *The next scheduled meeting is September 6th.*
- San Luis Obispo County Flood Control and Water Conservation District Water Resources Advisory Committee (WRAC) – *The next scheduled meeting is September 6th.*
- Countywide Water Action Team/Water Management Efforts: Water managers throughout San Luis Obispo County meet quarterly to discuss and collaborate on water supply management solutions. *The next meeting is scheduled for September 22nd.*

RWQCB NPDES Permit Renewal

Based upon a recent conversation with RWQCB staff, a draft permit is not likely to be released for public review before late 2017.

In addition, staff revised the Sewer System Management Plan Audit Report to come in compliance with our General WDR. The WDR requires an Audit be completed every two years. Unfortunately, this Audit report was due last summer and was not timely completed. This Audit Report describes our planned activities under the Plan for the upcoming year.

District’s Brine Disposal Program:

District staff completed a revised Brine Disposal Plan this month, and submitted it to the RWQCB for review and evaluation.

Public Records Requests

- *During the month of August, the District received 5 Public Records Requests.*

Plant Operation's Report

During the reporting period of August 1st – August 30th, 2017, it is not yet known if the District's facility continues to regularly meet its Permit limitations as required under the State of California's National Pollutant Discharge Elimination System (NPDES) Permit. Due to renovation of the District's Office, lab analysis has been contracted out. Results from contracted labs take longer to receive than in house lab analysis. Data will be updated as lab results are received. *All process values (lab test results) were within permit limits.*

Monthly Plant Data as of August 30th, 2017

August 2017	INF Flow MGD	INF Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	BOD % Removal	INF TSS mg/L	EFF TSS mg/L	TSS % Removal	Fecal Coliform MPN/100mL	Chlorine Usage lbs/day
Low	2.27	3.3	300	23		360	31		<2	125
High	2.76	4.5	540	38		580	51		43	486**
Average	2.46	3.8	385	29.8	92.3	465	37.6	91.9	9.3	247
Aug 2016 AVG	2.3	3.6	467	30	93.6	450	32	92.9	20.1	273
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

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

**High chlorine usage due to filling of secondary bug box chlorine tote; filling of secondary bug box tote does not necessarily mean a large amount of chlorine was used that day.

The District's facility is currently operating in abnormal conditions due to the shut down of the primary digester for the upcoming cleaning and inspection project. The primary digester can hold approximately 700,000 gallons of sludge, whereas the secondary digester can only hold approximately 400,000 gallons. The substantial decrease in the volume of the secondary digester means a decrease in the sludge retention time and an increase in solids loading, which may affect effluent TSS and overall process values. Operations staff is running the rental centrifuge daily to dewater as much sludge as possible to prevent heavy solids from returning back into the facility.

Operation and Maintenance Projects

- All Operations staff assisted in completion of daily operations, rounds, and reads
- Reviewed and checked U.S.A.'s near District trunk sewer lines
- Lab Fumehood window replaced
- Cleaned out heat exchanger in H&M building
- Repaired sludge feed pipe at sludge drying bed
- Fabricated plywood wall for sludge containment from the rental centrifuge
- Unplugged sludge pump #1 in H&M building
- Replaced chlorine pump at secondary bug box
- De-ragged grinder in H&M building and repaired fuse box
- Office Painting Project
 - Removed cabinets and corkboard from walls

- Prepped wall surface for painting and baseboard installation
- Packed all remaining items in office
- California Pro Painting Inc. began paint prep and completed painting of interior walls and doors
- California Pro Painting Inc. installed baseboards
- Began moving furniture back into office
- Primary Digester Cleaning Project
 - LOTO gas lines and valves on the primary digester
 - Removed the weights off pressure/vacuum relief valves
- Work Orders
 - De-ragged both primary clarifier sludge pumps
 - Rinsed both primary clarifiers
 - Rinsed secondary clarifier
 - Test ran Emergency Generator and Bypass Pump
 - Completed monthly safety walk through

Training

- Tailgate meeting for primary digester isolation
- Target Solutions Safety Training in Industrial Ergonomics

Call Outs

- No call outs to report for this reporting period