



# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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## SUMMARY ACTION MINUTES Regular Meeting of Wednesday, May 1, 2019

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### 1. CALL TO ORDER AND ROLL CALL

Chair Lee called the meeting to order and recognized a quorum.

Present: Jeff Lee, Chair, City of Grover Beach  
Caren Ray Russom, Vice Chair, City of Arroyo Grande  
Linda Austin, Director, Oceano Community Services District

District Staff: Jeremy Ghent, District Administrator;  
Gilbert Trujillo, Legal Counsel,  
Amy Simpson, District Bookkeeper/Secretary

### 2. PLEDGE OF ALLEGIANCE

Legal Counsel Trujillo led the Pledge of Allegiance.

### 3. AGENDA REVIEW

Administrator Ghent requested moving Item 6D to the top of the Agenda.

**Action:** Approved by voice vote.

### 4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

Mary Lucey commented on revisiting agency billing.

### 5. CONSENT AGENDA:

**5A. Approval of Warrants**

**5B. Approval of Meeting Minutes of April 03, 2019**

**5C. Fiscal Year 2018/19 Budget Review at the end of Third (3<sup>rd</sup>) Quarter**

Chair Lee opened the Public Comment period.

Julie Tacker commented on the Michael K Nunley (MKN) warrant.

Chair Lee closed the Public Comment period.

Administrator Ghent said that the MKN warrant was part of the financial application for USDA funds for the Redundancy Project, specifically the pro rata share of Oceano. MKN prepared an engineer's report which was a document USDA required that included the analysis and the breakdown of how the cost would be split and the general cost of the project so USDA could see the project lay out and what the project consisted of. The USDA funding is specifically available to disadvantaged communities. The District represents two other agency's that do not qualify for USDA funding. This report breaks out what is the reasonable share that could be assigned to Oceano for a project like Redundancy that is all sited on a single site.

**Motion:** Director Austin

**Second:** Vice Chair Ray

**Action:** Approved unanimously by roll call. Vote carries 3-0.

## 6. ACTION ITEMS:

### 6D. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Administrator Ghent presented the Administrators Report. He reported that bid ready documents had been received from Kennedy Jenks. Michael K Nunley and Associates are preparing an RFQ for Construction Management Services and have conducted a couple webinars. Life Expectancy Report for the plant was submitted as condition No. 5. Staff had received the new front-end loader. Staff had met with the Monterey One team who have a project like Central Coast Blue to ask questions about the setup of the project. The District entered into a contract with the Public Group for disposal of surplus equipment. Central Coast Blue team met with city managers and WSC. On May 22 a group of school kids will be touring the plant. Construction Management contract will be coming forward August 2<sup>nd</sup>.

Plant Superintendent Jones presented the Plant Operations report. The numbers continue to comply with the permit. He updated the Board on operations and maintenance projects. Reported on an invalid sample analysis and venting of untreated digester gas. Updated on training that staff has attended. Said that there were two call outs. A letter is attached from Abalone Coast apologizing for the invalid BOD analysis.

Administrator Ghent expanded on the the BOD invalid test and the Digester venting. He spoke to the County lab director and she thought that this would not result in a fine.

Chair Lee opened the Public Comment period.

Julie Tacker commented the cost of the invalid test; the APCD violation; Central Coast Blue updates and the RFQ for construction Management.

Chair Lee closed the Public Comment period.

Administrator Ghent responded that there was no smell associated with the digester venting. The violation was because of notification.

Administrator Ghent responded to the question regarding Central Coast Blue. He said substantial effort has been taken to secure an alternate site. The RFQ will not be brought before the Board prior to being issued but will be agendized prior to award.

**Action:** The Board received and filed the report.

#### **6A. AMENDING BOARD MEETING SCHEDULE TO MEET ONCE A MONTH**

Legal Counsel Trujillo presented this item. He said that staff recommends amending the Bylaws to meet once a month. The warrant process is one issue that may need amending. Currently two Board signatures are required to approve warrants. This is not a requirement of law just specific to this District. Govt. code allows the District Administrator or Finance Director to be authorized to approve payments. If approved, warrants will appear after being paid on the agenda for ratification by the Board. The effective date of this resolution would be the first meeting in June.

Vice Chair Ray Russom commented on holding a second meeting when necessary and requested that it be regularly noticed.

Administrator Ghent responded that his intent would be to announce the second meeting of the month at the regular meeting and it would be held the third Wednesday of the month.

Vice Chair Ray Russom asked how much money would be saved by going to one meeting a month.

Administrator Ghent responded that it would be close to \$3,000 per meeting.

Director Austin asked how the warrant process would work.

Administrator Ghent said that currently no bills are paid prior to being brought before the Board. Most other agencies have the Administrator approve and issue payment. If the board elects to move to one meeting a month, he would approve payments and the warrant register would be ratified by the Board at the regular board meeting. If something exceeds the budgeted amount, the administrator would need to bring the item to the Board before approving a payment. From the public's perspective, they would not see a difference other than the warrants had already been issued before being presented to the Board.

Chair Lee opened the Public Comment period

Julie Tacker commented on posting the agenda for a second meeting; approval of warrants and the Bylaws on calling a Special Meeting.

Chair Lee closed the Public Comment period.

**Motion:** Vice Chair Ray Russom motioned to approve Resolution 2019-405 amending Bylaws sections 1.4 and 2.1 to provide for a monthly Board meeting on the first Wednesday of the

month. And to make a change to the warrant structure as described in the staff report effective the first meeting of June 2019 and she requested that if there is a second meeting, it be scheduled the third Wednesday of the month as we have previously done.

**Second:** Director Austin

**Action:** Approved unanimously by roll call vote.

## **6B. FINANCIAL PLAN UPDATE BY BARTLE WELLS ASSOCIATES**

Administrator Ghent presented this item. He said the original effort was undertaken in 2015 and it was to establish rates for funding of the Redundancy Project. This update was to discover if we needed any further rate increases. The updated projections indicated that the financial position has improved. Current position would allow the District to fund the Redundancy Project without any rate increases. The District will be able to secure bond funding.

The Board had a brief discussion.

Administrator Ghent replied that the reality comes when project goes out to bid. We will not truly know the total cost until construction is complete. USDA funding has an approval process. If you qualify you are typically funded. We have gone through the process and believe we qualify. He also said in July the rates will go up by \$2 a month. The District has a flat rate that is the same for all member agencies.

Chair Lee opened the Public Comment period

Julie Tacker commented on the price of the project; the Life Expectancy Report; and agency billing.

Chair Lee closed the Public Comment period.

The Board had a brief discussion and Administrator Ghent responded to the questions.

**Action:** The Board received and filed the report.

## **6C. PROJECT LABOR AGREEMENTS AND REDUNDANCY PROJECT**

Administrator Ghent presented this item. This was a result of the Boards interest in determining whether the Redundancy Project would be compatible with a labor agreement. Legal Counsel has provided the staff report that discusses a labor agreement.

Legal Counsel Trujillo said this was rushed to get on the agenda. It is not a comprehensive staff report. Just an overview. He gave description of a project labor agreement. He went over some issues that have been identified such as scheduling; timing; and cost. There is statutory authority to enter into a labor agreement for this project.

Chair Lee reiterated that there is no statutory prohibitor. The District can move forward with a project labor agreement.

Administrator Ghent said that schedule and scope are not a big undertaking, budget will have some cost increases with this agreement. Local hire has some unquantified benefits. Schedule does incur some risks. Creates a little extra work. Technical staff is just himself; he would need some supporting consultants to negotiate these PLA's. Would be reluctant that we could pull it off in under five months. Checked in with Coastal. One issue is interest rates. Requires modifying construction management document if the District gave direction to move forward.

The Board had a lengthy discussion of the pros and cons of a labor agreement and asked Counsel what was in the lengthy staff report from City of San Luis Obispo.

Chair Lee opened the Public Comment period.

Cherie Cabral worked on City Of SLO agreement. She said that City of SLO had an agreement in 30 days. She distributed a handout. The amount it is going to cost is directly related to the amount you are going to spend on labor compliance. Local hire areas can be as detailed as you want them to be. Prevailing wage is prevailing wage the difference in pay you would see is if someone was paid outside of class.

Jim Hill congratulated the Board and thanked them for considering the PLA and local hire. He advised adoption of the agreement and local hire.

Larry Murray pipe fitter is supportive of adopting this local hire agreement.

Sean Perry, electrician, said a PLA is a benefit.

Richard Van Hambeck commented on training local people to do this work. The apprentices will get these opportunities.

Joseph Fixer, commented on being a self-funded apprenticeship.

John Sabero commented on working locally. Sense of pride in the work when you are part of the community.

Danny Saragoza labor union representative. Agree PLA would benefit the community. A project like this would bring a lot of training to our youth.

Unknown commented on the benefit of the ability to train the youth through the apprenticeship program.

Travis Shrawg said it is a small amount to pay to keep the money local.

David Baldwin said the trades aren't proposing anything that excludes contractors or workers. Getting everyone on the same page tends to bring your project in on

time and close to engineers estimate. This agreement is the mechanism to get there.

Aaron Verduco, apprentice, commented on the possibilities with an agreement like this.

Chair Lee closed the Public Comment period.

Chair Lee thanked staff for asking the *what if* questions. Suggested that we proceed with moving forward with a project labor or community labor agreement with a few caveats. Support pursuing this with a draft agreement at the June or July meeting.

Director Austin appreciated everyone coming out to speak. She did have concerns about scheduling but agrees with Chair Lee to look at the parameters. Her big concerns are the timing, scheduling and costs. She is supportive of keeping it local

Vice Chair Ray Russom said it is difficult to quantify but easy to understand the local benefit. Such a small incremental cost to narrowing it down. She's looking at the cost as an insurance policy. She is ready to move forward with this tonight. Would like to have any motion make sure that this is done in thirty days and our member agency's zip codes are first.

Chair Lee said it appears to have consensus to move forward. He suggested a member of negotiating team be a member of the Board.

Trujillo thinks a single member being part of the team is fine.

Cherie Cabral said that if you use City of SLO as a baseline you are only looking at one or two modifications. Outside counsel may be a waste of resources. One modification would be site.

Administrator Ghent said he has a couple options in place about outside counsel and modifying MKN contract with site survey if that is an item that would be part of PLA.

**Action:** The Board received and filed the report.

**7. MISCELLANEOUS ITEMS:**

None

**8. BOARD MEMBER COMMUNICATIONS**

The Board requested staff to review placement of sewer bills on the tax rolls at a future meeting.

Alternate Barbara Nicolls will be attending next meeting in place of Chair Lee.

**9. CLOSED SESSION:**

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Jeremy Ghent and Alicia Lara

Employee organization: SEIU

There was no Public Comment period.

The meeting was adjourned to Closed Session at 8:52 p.m.

The Board returned from Closed Session and announced there was no reportable action from Closed Session.

***THESE MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT THE MEETING OF MAY 15, 2019.***