



# **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

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## **SUMMARY ACTION MINUTES Virtual Zoom Meeting of Wednesday, December 16, 2020**

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### **1. CALL TO ORDER AND ROLL CALL**

Director Austin called the meeting to order and recognized a quorum.

Present: Lan George, Alternate, City of Arroyo Grande  
Karen Bright, Alternate, City of Grover Beach  
Linda Austin, Director, Oceano Community Services District

District Staff: Jeremy Ghent, District Administrator  
Carrie Raven, Assistant District Legal Counsel  
Amy Simpson, District Bookkeeper/Secretary  
Mychal Jones, Plant Superintendent

### **2. PLEDGE OF ALLEGIANCE**

Director Austin led the Pledge of Allegiance.

### **3. AGENDA REVIEW**

Approved as presented.

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

Julie Tacker commented on the cost of the Redundancy Project.

### **5. CONSENT AGENDA:**

**5A. Approval of Warrants**

**5B. Approval of Meeting Minutes of December 02, 2020**

Public Comment: Was not solicited at the meeting.

Public Comment was received subsequent to the meeting and is attached to these Minutes.

**Motion:** Alternate Bright motioned to approve Item 5A.

**Second:** Alternate George

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

**Motion:** Director Austin motioned to approve Consent Agenda Item 5B.  
**Second:** Alternate Bright

**Action:** Approved 2-1 by roll call vote.

Abstain: Alternate George

Assistant Legal Counsel Raven said the Alternates were attending in place of the Chair and the Vice Chair due to a potential conflict of interest pertaining to items on the agenda. The District is awaiting an opinion from the FPPC regarding the potential conflict of interest.

**6. ACTION ITEMS:**

**6A. AUTHORIZE EXECUTION OF CONTRACT AMENDMENT #3 FOR WWTP REDUNDANCY PROJECT ENGINEERING SERVICES WITH KENNEDY/JENKS CONSULTANTS, INC.**

Administrator Ghent presented the staff report for this item.

The Board had a brief discussion regarding the cost and were pleased to know that these numbers were already in the Fiscal Year 2020/2021 Budget.

Public comment: Julie Tacker commented on the cost increase of the project.

**Motion:** Director Austin motioned to Authorize the District Administrator to execute a contract amendment for Design Engineering Services for the Wastewater Treatment Plant Redundancy Project with Kennedy/Jenks Consultants, Inc. in the amount of \$476,289 for a total amended contract amount of \$2,781,737.

**Second:** Director Bright

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

**6B. AUTHORIZE ISSUANCE OF NOTICE OF AWARD FOR WWTP REDUNDANCY PROJECT CONSTRUCTION TO J.R. FILANC CONSTRUCTION COMPANY, INC., UPON RECEIPT OF APPROVAL FROM USDA**

Administrator Ghent presented this staff report. He reported a correction to Attachment No. 2. There was an additional \$7,200 required to do formal consultation with the Dept. of Agriculture in the amount that was reported for NEPA expenditures that was transferred amongst accounts. Permits, Inspections and Other Fees was reduced by \$7,200. This transfer did not change the bottom-line amount.

The Board had a brief discussion.

Public Comment: Julie Tacker requested the dollar amount that was deposited to the Treasury and the interest rates.

Administrator Ghent responded that \$28,001,884 had been deposited to the County Treasury. The interest rate for USDA is 1.375% for forty years and the Bond interest rate is 2.07% for thirty years.

Alternate George asked for an estimate of the cost for a new facility.

Administrator Ghent responded that the cost of a new facility would be approximately 150 million dollars and the duration of time to build a new plant is hard to predict.

**Motion:** Alternate George motioned to

1. Authorize the District Administrator to issue a Notice of Award to J.R. Filanc Construction Company, Inc., for construction of the Wastewater Treatment Plant Redundancy Project in the amount of \$26,939,042 upon receipt of final approval from United States Department of Agriculture
2. Authorize the District Administrator to execute contract change orders as required to maintain efficiency of construction for up to 5% of the contract amount (\$1,346,962)

**Second:** Director Bright

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

## **7. BOARD MEMBER COMMUNICATIONS**

Director Austin thanked the Alternates for attending the meeting. The Board thanked Administrator Ghent for his thorough report and Julie Tacker for providing comment.

## **8. ADJOURNMENT:**

6:51 p.m.

***THESE MINUTES WERE APPROVED BY THE BOARD OF DIRECTORS AT THE MEETING OF DECEMBER 16, 2020.***

January 2, 2021

SSLOCSD Board of Director's  
1600 Aloha Place  
Oceano, CA 93446

**RE: Wednesday, January 6, 2021 SSLOCSD Board meeting, item's 5. A and 5. B.**

Dear Board of Directors,

Please consider these comments prior to Wednesday's meeting. I am putting these comments in writing because a Brown Act Violation occurred at the **December 16, 2020** meeting where Linda Austin, acting as chair, never opened the Consent Calendar up to public comment. I was in attendance at this Zoom meeting and wished to comment on both items but was not afforded the opportunity to speak. Had I been allowed to, I would have raised these points (below) relative to the two consent items:

**5. A. Warrant packet:** Specifically the MKN invoice for \$17,133.56 for Redundancy and Digester cleaning projects.

A recent Google alert revealed former District Administrator, Gerhardt Hubner, has joined the MKN team. During his 16-months in your District's employ, he wreaked havoc that cost thousands of dollars in controversial decisions. Your ratepayers paid \$37,500 in severance and continue to pay his life-long ongoing expenses related to his medical coverage and retirement. This new relationship with MKN may violate the District's separation agreement with Hubner and reeks of conflict-of-interest at most, and/or bad optics for the District, at best.

**5. B. Minutes for December 2, 2020:** Relative to item 6. B. related to any relief being passed on to ratepayers of Oceano for their DAC status contribution to obtaining the USDA low interest loan. The minutes reflect direction was given to Mr. Ghent to email me with his calculations. As of December 16<sup>th</sup> I had received no such email (to this date, I still have not received an email on this subject).

Here are further comments for **January 6<sup>th</sup>**'s Consent Calendar, should no public comment be allowed:

**5.A. Warrant packet:** Specifically the Jones-Mayer \$11,215.50 charges. **These comments relate to the potential conflict of interest the two Mayors' have; perhaps they should be recused from discussing this item on Wednesday.**

Please provide a breakdown of these, and previous, charges from Jones-Mayer associated with the firm's involvement in the potential conflict of interest and Fair Political Practices Commission issues associated with Mayor Ray Russom (\$3,450) and Mayor Lee's (\$5,000) campaign contributions from the trade unions in light of

the PLA/CWA and Redundancy Project. These costs have been accruing for over 6 months, including a request for advice letter written on the Mayor Ray Russom's behalf on May 1, 2020 and another, on behalf of both, Mayor Russom and Mayor Lee dated November 3, 2020. Several warrants have been approved by the two Mayors' who were the subject of these charges; this too is a conflict of interest.

I would also like to inform the Board that Ms. George's votes on December 16<sup>th</sup> were guided and directed by Mayor Ray Russom (as stated in a December 11, 2020 email to Mr. Ghent), *"Lan is available to attend the meeting on Wednesday, so in an abundance of caution I am going to recuse myself and have her take my place as my alternate. I have reviewed the two items and their context with her already."*

It appears that Ms. George, having been coached by Mayor Ray Russom, on how to vote, voted as Mayor Ray Russom's proxy, which is not allowed and does not remove Mayor Ray Russom from conflict. If Mayor Russom has a conflict she is prohibited from influencing the Board on the item that is the subject of the conflict. Mayor Russom clearly influenced Ms. George's votes in advancing the Redundancy Project on December 16<sup>th</sup>.

In my opinion, Mr. Ghent should have been the person to educate Ms. George on the agenda items.

I am unaware if Mr. Lee educated Ms. Bright on these matters, but would make the same observation, Mr. Ghent should have been the only person discussing the agenda items with the alternates in preparation for December 16<sup>th</sup>'s Redundancy Project approvals.

Further, I'd like to know why Mr. Collins is representing the two Mayors. Any alleged or potential conflict-of-interest is their own problem and they should be seeking their own advice, hire their own counsel and/or make their own contacts with FPPC. This item was never on a Board agenda for approval, as such, on behalf of all District ratepayers, I request the Jones-Mayer charges related to this matter cease and any charges to date should be passed on to Mayor Ray Russom and Mr. Lee. The Jones-Mayer firm represents the District, not individual board members.

Please direct legal counsel to cease work on the respective Mayor's potential conflicts of interest. Please place on a future agenda all the Jones-Mayer expenses associated with the potential conflicts of interest related to the Redundancy Project and the proxy vote. These are expenses that should be borne by the Mayor's of Arroyo Grande and Grover Beach as individuals. It is their actions having lobbied hard for the PLA/CWA and their acceptance of these campaign donations that have put the District at risk.

**5.B. Minutes for December 16, 2020:** With respect to the Consent Calendar Public Comment, as written it says "None". Do to the fact that the comment period was never opened to the public, that portion of the minutes should read, "No Public Comment was allowed".

*From the Desk of Julie Tacker*

And, the following quote is misplaced, *"Assistant Legal Counsel Raven said the Alternates were attending in place of the Chair and the Vice Chair due to a potential conflict of interest pertaining to items on the agenda. The District is awaiting an opinion from the FPPC regarding the potential conflict of interest."* This statement was made **after** the votes were taken on the consent calendar and after item 6.A. was opened, as Mr. Ghent was preparing to share his screen for his PowerPoint presentation on the Redundancy Project item.

Thank you for this opportunity to make comments on the agenda items identified above.

Sincerely,

A handwritten signature in cursive script that reads "Julie Tacker".

Julie Tacker

Cc: Arroyo Grande City Council  
Grover Beach City Council  
Oceano Community Services District Board