

**SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY
SPECIAL EXECUTIVE COMMITTEE MEETING**

**October 31, 2018
12:00 p.m.**

AGENDA

**San Luis Obispo County Integrated Waste Management Authority Office
870 Osos Street
San Luis Obispo, California 93401**

- 1. Call to Order and Roll Call.**
- 2. Public Comments**

Note: Any member of the public may address the Board for a period not to exceed three minutes. Any item not on the agenda, within the jurisdiction of the IWMA Board, may be presented. The IWMA Board shall listen to all communication, however, in compliance with the Brown Act, no action can be taken at this time.

Americans With Disabilities Act Compliance. In compliance with the Americans with Disabilities Act (ADA), the IWMA is committed to including the disabled in all of its services, programs, and activities. If you need special assistance to participate in this meeting, please contact the IWMA at (805) 782-8350 at least 72 hours prior to the meeting to enable the IWMA to make reasonable arrangements to insure accessibility to the meeting.

- 3. Interim Manager's Report**

CONSENT CALENDAR

The following items listed below are scheduled for consideration as a group. The recommendations for each item are noted in the description. After public comment, any member of the Executive Committee or the Manager may request an item be withdrawn from the Consent Calendar to allow discussion.

- 4. Draft Minutes of the August 8, 2018 IWMA Special Board Meeting County Government Center Room 161/162.** Received and filed.
- 5. Draft Minutes of the August 15, 2018 IWMA Special Executive Committee Meeting-**
Approve minutes of the August 15, 2018 Special Executive Committee Meeting.

- 6. Draft Minutes of the August 29, 2018 IWMA Special Board Meeting Board of Supervisors' Chambers.** Received and file.
- 7. November 14, 2018 IWMA Board Meeting Agenda.** Review and approve the tentative agenda for the November 14, 2018 IWMA Board Meeting.
- 8. Executive Committee Meeting Schedule -** Consider a meeting schedule for future meetings and cancelling the December 26, 2018 meeting.
- 9. RFP Forensic Audit –** Select Forensic Auditor
- 10. Member Comments and Future Agenda Items -** Discussion by Members regarding future agenda items and dates.
- 11. Adjournment -** The next meeting is scheduled for **December 26, 2018** at 12:00 noon at the San Luis Obispo County Integrated Waste Management Authority office, 870 Osos Street, San Luis Obispo, California 93401.

AGENDA: October 31, 2018
ITEM: 4

TO: IWMA Executive Committee
FROM: Mike Giancola, Interim Manager
**RE: Draft Minutes of the August 8, 2018 Special Board Meeting County
Government Center Room 161/162.**

RECOMMENDATION

Receive and file.

**ATTACHMENT: Draft Minutes of the August 8, 2018 Special Board Meeting County
Government Center Room 161/162.**

**SAN LUIS OBISPO COUNTY
INTEGRATED WASTE MANAGEMENT AUTHORITY (IWMA)
SPECIAL BOARD MEETING**

MINUTES OF AUGUST 8, 2018 1:30 P.M.

1. Call to Order/Roll Call. 1:30 p.m.

Board Members Present:

Debbie Arnold, County Supervisor
Charles Bourbeau, Atascadero Alternate
Tim Brown, City of Arroyo Grande
Lynn Compton, County Supervisor
Robert “Red” Davis, City of Morro Bay
Robert Enns, Vice President, Authorized Districts
Bruce Gibson, County Supervisor
Aaron Gomez, City San Luis Obispo
John Hamon, City of Paso Robles
Adam Hill, County Supervisor
Jeff Lee, Board President, Grover Beach
John Peschong, County Supervisor

Board Members Absent:

Sheila Blake, Pismo Beach
Tom O’Malley, Atascadero

Staff Members Present:

Ray Biering, IWMA Counsel
Carolyn Goodrich, Board Secretary

Staff Members Absent:

William A. Worrell, IWMA Manager

2. Public Comments.

Jim Hill, concerned citizen - commended Tim Brown, Cal Coast News, Grand Jury, and District Attorney’s office for moving forward with paid administrative leave for William Worrell.

Karen Bright, Former Elected Official – Stated that it was important that the credit card expenditures were reviewed. Those charges should have been approved by the Board. It is important that we do the right thing for the public trust.

Wayne Hall, Creston resident – Gave background in forming the JPA. Stated William Worrell has kept quiet, no oversight, incomplete budget process, contract issues and encouraged a forensic audit

Mark London, Arroyo Grande resident – Knudson’s review was funded by citizens, records were destroyed, no competitive bids, fixed asset disclosure and missing lease agreements.

Mike Brown, COLAB – Encouraged the Board to seek that truth of allegations, contracts and practices. IWMA Board must question staff closely and report findings to the public.

Clair Mamakas, Adelaide area North County – We should no longer tolerate IWMA Board. Cited Knudson report, Cited Tenborg vs. Cal Coast News/Velie requesting gag order. Board take action; fire all, change locks, and passwords.

Jeffery Specht, SLO City Council candidate – Appalled with the level of corruption.

Charles Tenborg, President of Eco Solutions – For 17 years, worked with the IWMA and managed their Household Hazardous Waste Facilities. Tenborg asked the Board to consider the source (i.e. Cal Coast News, Concerned Citizens, and Jenkins).

3. Closed Session. It is the intention of the Board to meet in closed session for the following: Performance Evaluation of the IWMA Manager (Government Code Section 54957(b)(1)).

4. Report on Closed Session. At 2:57 p.m. Ray Biering

A. William Worrell placed on administrative leave effective immediately.

AYES: Arnold, Bourbeau, Brown, Compton, Davis, Enns, Gibson, Gomez, Hamon, Hill, Lee, Peschong
NOES: None
ABSTAIN: None
ABSENT: Blake, O’Malley

B. Executive Committee – Directed to begin Forensic Audit.

AYES: Arnold, Bourbeau, Brown, Compton, Davis, Enns, Gibson, Gomez, Hamon, Hill, Lee, Peschong
NOES: None
ABSTAIN: None
ABSENT: Blake, O’Malley

5. **Adjournment.** The next meeting is scheduled for **September 12, 2019** at 1:30 p.m. in the San Luis Obispo County Board of Supervisors' Chambers, County Government Center, 1055 Monterey Street Room D-170 San Luis Obispo, CA 93408.

THESE MINUTES ARE NOT OFFICIAL NOR A PERMANENT PART OF THE RECORD UNTIL APPROVED BY THE IWMA BOARD AT THE NEXT REGULAR BOARD MEETING.

Respectfully,

Patti Toews, Program Director and minute typist using Board Secretary's notes

AGENDA: October 31, 2018
ITEM: 5

TO: IWMA Executive Committee
FROM: Mike Giancola, Interim Manager
RE: Draft Minutes of the August 15, 2018 IWMA Special Executive Committee Meeting.

RECOMMENDATION

Approve minutes of the August 15, 2018 IWMA Special Executive Committee Meeting.

ATTACHMENT: Draft Minutes of the August 15, 2018 IWMA Special Executive Committee Meeting.

**SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY
EXECUTIVE COMMITTEE MEETING**

MINUTES OF AUGUST 15, 2018

1. Call to Order and Roll Call. 12:04 p.m.

Executive Committee:

Members Present: Jeff Lee, President, Grover Beach
Robert Enns, Vice President, Authorized Districts

Members Absent: Aaron Gomez, San Luis Obispo City

IWMA Staff: Ray Biering, IWMA Counsel
Carolyn Goodrich, Board Secretary

2. Public Comments. None.

- 3. Closed Session.** It is the intention of the Executive Committee to meet in closed session for the following: (1) Continued evaluation of the IWMA Manager (Government Code Section 54957(b)(1) and recommendations to the IWMA Board; and (2) Consideration of appointment of IWMA Interim Manager (Government Code Section 54957(b)(1)) and recommendation to the IWMA Board.

4. Report on Closed Session.

Action Items:

1. Calling Special Board Meeting August 29, 2018

- 5. Adjournment.** There being no further business, the meeting was adjourned to October 31, 2018 at 12:00 p.m. in the San Luis Obispo County Integrated Waste Management Authority office, 870 Osos Street San Luis Obispo, California 93401.

THESE MINUTES ARE NOT OFFICIAL NOR A PERMANENT PART OF THE RECORD UNTIL APPROVED BY THE IWMA EXECUTIVE COMMITTEE AT THE NEXT REGULAR MEETING.

Respectfully,

Patti Toews, Program Director typist using Carolyn Goodrich Board Secretary's notes.

AGENDA: October 31, 2018
ITEM: 6

TO: IWMA Executive Committee
FROM: Mike Giancola, Interim Manager
RE: Draft Minutes of the August 29, 2018 IWMA Special Board Meeting.

RECOMMENDATION

Receive and file

ATTACHMENT: Draft Minutes of the August 29, 2018 IWMA Special Board Meeting.

INTEGRATED WASTE MANAGEMENT AUTHORITY

SPECIAL BOARD MEETING

MINUTES OF AUGUST 29, 2018

1. Call to Order and Roll Call

Board Members Present:

Debbie Arnold, San Luis Obispo County Supervisor
Sheila Blake, City of Pismo Beach (*arrived shortly after roll call*)
Tim Brown, City of Arroyo Grande
Lynn Compton, San Luis Obispo County Supervisor
Robert Enns, Vice President, Authorized Districts
Bruce Gibson, San Luis Obispo County Supervisor
Aaron Gomez, City of San Luis Obispo
John Hamon, City of Paso Robles
Jeff Lee, President, City of Grover Beach
Tom O'Malley, City of Atascadero
John Peschong, San Luis Obispo County Supervisor

Board Members Absent:

Adam Hill, San Luis Obispo County Supervisor
Robert "Red" Davis, City of Morro Bay

Staff Members Present:

Patti Toews, IWMA Staff
Jeffrey Minnery, IWMA Counsel

2. Public Comments

Wayne Hall, Stew Jenkins, Claire Mamakos, Mark London, and Patty Welsh addressed the Board.

PUBLIC HEARING

- 3. Retirement and Resignation of Manager.** Mr. Minnery reviewed with the Board Mr. Worrell's resignation and retirement and also explained IWMA's contractual and statutory requirements upon termination of Mr. Worrell's employment. Mr. Minnery proposed an addition to the staff recommendations which authorized the President to issue notification to Nationwide that Mr. Worrell is no longer employed by IWMA.

President Lee opened the meeting for public comment on the retirement and resignation of Mr. Worrell. Stew Jenkins addressed the Board.

Board Member Gibson moved staff recommendation, including the addition, to (1) Receive and consider the retirement and resignation of Mr. Worrell; (2) Direct staff

to pay Mr. Worrell in accordance with its statutory and contractual obligations, including but not limited to, any deferred compensation; and (3) Authorize the President to issue notification to Nationwide that Mr. Worrell is no longer employed by IWMA. Seconded by Board Member Hamon and passed on the following roll call vote:

AYES: Arnold, Blake, Brown, Compton, Enns, Gibson, Gomez, Hamon, O'Malley, Peschong, and Lee
NOES: None
ABSTAIN: None
ABSENT: Davis, Hill

- 4. Consideration of Auditor.** Mr. Minnery gave an overview of the Executive Committee's recommendation to issue an RFP for audit services focusing on the expenditures of IWMA, including the suggestion of a tiered approach as to the scope of the RFP.

President Lee introduced to the Board Mr. James Erb, San Luis Obispo County Auditor-Controller. Mr. Erb answered questions from the Board regarding audit options, including forensic versus non-forensic audits, scope, and timing.

President Lee opened the meeting for public comment on the consideration of an auditor. Wayne Hall and Stew Jenkins addressed the Board.

Board Member Gibson moved to direct the Executive Committee work with IWMA staff to prepare an RFP for a forensic audit with a scope to investigate allegations made about the accounting practices of the IWMA, to direct the Executive Committee review the responses and bring a recommendation back to the full Board for consideration. Seconded by Board Member Hamon and passed on the following roll call vote:

AYES: Arnold, Blake, Brown, Compton, Enns, Gibson, Gomez, Hamon, O'Malley, Peschong, and Lee
NOES: None
ABSTAIN: None
ABSENT: Davis, Hill

- 5. Appointment of Interim Manager.** The Authority considered three candidates for the position of Interim Manager. Each was asked in open session a series of five identical questions and one or two questions specific to the candidate's experience. The candidates were questioned in the following order:

Michael Giancola, Ron Munds, and Robert Perrault

President Lee asked Mr. Munds and Mr. Perrault to step outside chambers while Mr. Giancola was questioned.

President Lee opened the meeting for public comment on the appointment of Interim Manager. Tom Martin and Claire Mamakos addressed the Board.

At the suggestion of Board Member Gibson, President Lee paused public comment and invited Mr. Perrault and Mr. Munds back into chambers to give those candidates the benefit of hearing public comment as well. Stew Jenkins then provided public comment. President Lee invited Tom Martin and Claire Mamakos to restate their public comments in the hearing of Mr. Munds and Mr. Perrault, and these public comments were restated.

Following public comment, Mr. Perrault and Mr. Munds were once again asked to step outside while Mr. Giancola was questioned.

At the conclusion of Mr. Giancola's questioning, President Lee asked Mr. Giancola to step outside with Mr. Perrault while Mr. Munds was questioned.

Following Mr. Munds' questioning, President Lee asked Mr. Munds to step outside with Mr. Giancola while Mr. Perrault was questioned.

Subsequent to Mr. Perrault's questioning, all candidates were invited back into chambers.

President Lee opened the meeting for public comment on the closed session item. Stew Jenkins addressed the Board.

6. Closed Session. The Authority adjourned to closed session for discussion of the appointment of an Interim Manager (Government Code section 54957(b)(1)).

7. Report on Closed Session.
The Authority chose Michael Giancola as Interim Manager. Decision passed on the following roll call vote:

AYES: Arnold, Brown, Compton, Enns, Hamon, O'Malley, and Peschong
NOES: Blake, Gibson, Gomez, and Lee
ABSTAIN: None
ABSENT: Davis, Hill

8. Compensation and Term of Interim Manager. With an appointment made, the Authority discussed compensation and contract terms of the Interim Manager.

President Lee invited Mr. Giancola to comment on his preferences for compensation and terms of contract. Mr. Giancola addressed the Board.

Board Member Brown made a motion for a contract term of three (3) months with an extension possible of an additional three (3) months, if needed, at a base rate of \$152,000.00 annually. Seconded by Board Member O'Malley and passed on the following roll call vote:

AYES: Arnold, Blake, Brown, Compton, Enns, Gibson, Gomez, Hamon, O'Malley, Peschong, and Lee
NOES: None
ABSTAIN: None
ABSENT: Davis, Hill

Board Member Brown made a motion that the remainder of the contract details be worked out between the Executive Committee, Mr. Giancola, and Legal Counsel at their earliest convenience, provided that the previous motion of the Board represented Mr. Giancola's compensation in full. Seconded by Board Member Enns and passed on the following roll call vote:

AYES: Arnold, Blake, Brown, Compton, Enns, Gibson, Gomez, Hamon, O'Malley, Peschong, and Lee
NOES: None
ABSTAIN: None
ABSENT: Davis, Hill

The Authority directed legal counsel to facilitate an evaluation of Mr. Giancola at three (3) months, at the recommendation of the Executive Committee.

- 9. Adjournment.** The meeting was adjourned to the next regular meeting of the IWMA scheduled for **September 12, 2018** at 1:30 p.m. in the San Luis Obispo County Board of Supervisors' Chambers, County Government Center, San Luis Obispo, CA 93408.

THESE MINUTES ARE NOT OFFICIAL NOR A PERMANENT PART OF THE RECORD UNTIL APPROVED BY THE IWMA AT THE NEXT REGULAR MEETING.

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AGENDA: October 31, 2018
ITEM: 7

TO: IWMA Executive Committee
FROM: Mike Giancola, Interim Manager
RE: November 14, 2018 IWMA Board Meeting Agenda.

RECOMMENDATION

Review and approve the tentative agenda for the November 14, 2018 IWMA Board Meeting.

AGENDA: October 31, 2018

ITEM: 8

TO: IWMA Executive Committee
FROM: Mike Giancola, Interim Manager
RE: Executive Committee Meeting Schedule Consider a meeting schedule for future meetings and cancelling the December 26, 2018 meeting.

RECOMMENDATION

Adopt the 2019 meeting schedule of meeting on the last Wednesday of every even month. In addition, authorize the President to cancel the December 26, 2018 meeting.

The proposed schedule for 2019 would include meeting on the last Wednesday of every even month at 12 noon. The actual dates in 2019 would be:

February 27th

April 24th

June 26th

August 28th

October 30th

December 25th

AGENDA: October 31, 2018

ITEM: 9

TO: IWMA Executive Committee
FROM: Mike Giancola, Interim Manager
RE: RFP Forensic Audit – Select Forensic Auditor.

RECOMMENDATION

Select Forensic Auditor

ATTACHMENT: RFP Forensic Audit

REQUEST FOR PROPOSAL – Agreed Upon Procedures Fiscal Review

San Luis Obispo Integrated Waste Management Authority
– 870 Osos Street, San Luis Obispo, CA 93401

Contact Person: Michael B. Giancola

Phone: (805) 782-8530

Email: mgiancola@iwma.com

Fax: (805) 782-8529

1. Background/Introduction:

The San Luis Obispo Integrated Waste Management Authority (IWMA) is a government entity formed through a Joint Powers Authority governed by a 13-person Board of county wide elected officials. The IWMA Board consists of the five County Board of Supervisors, seven incorporated City Council representatives and one Special District representative. The IWMA Board oversees the IWMA office and its mission to manage solid waste and recycling for San Luis Obispo County.

2. Project Goal and Scope of Services:

The IWMA is interested in contracting with an audit firm with extensive knowledge and expertise in performing forensic and financial audits of government agencies to perform an Agreed Upon Procedures Engagement to include a detailed internal controls review, and to investigate findings highlighted in the attached “Report on the Integrated Waste Management Authority San Luis Obispo, Ca” dated June 6, 2018 (IWMA report) . Also attached is a prior investigative report of Charles K. Tenborg and his related companies for additional reference.

Specific tasks include:

- 1) Perform a detailed internal control review to include contract administration and monitoring practices, invoice processing and procedures, record retention, identification of adequate cash handling controls, timekeeping and payroll controls, fixed asset control procedures, information technology controls, compliance with Cal/card issued credit card, and any other areas as recommended by the proposing firm.

- 2) Based on a review of the attached IWMA Report, perform testing procedures to investigate findings cited in the report that, in the firm's professional judgment, may indicate the potential for irregularity or where the firm believes testing procedures may provide an opportunity to make specific internal control recommendations. For any report findings that are non-financial in nature the firm will indicate that no testing procedures are recommended.
- 3) Initial findings will be reviewed with IWMA management and the County Auditor-Controller to mutually determine appropriate corrective actions or procedural improvements and expected timeline for implementing corrective actions and improvements. A final exit conference will be performed with IWMA Management and the IWMA Executive Committee.
- 4) The selected vendor shall prepare a detailed written report with sections that at a minimum include: findings, recommendations, and projected completion dates for corrective actions and procedural improvements.
- 5) The firm will be asked to present the final report to the IWMA Board of Directors in a regularly scheduled meeting open to the public.

3. Access to records:

The firm will be granted access to all records necessary to perform the engagement and IWMA staff will be made available to assist during the engagement.

4. Time and Place of Submission of Proposals:

All Proposals shall be submitted on or before November 5th at 2:00 p.m. at IWMA office at 870 Osos Street, San Luis Obispo, CA 93401. Any proposals submitted after the above time and date will be rejected. Contract award is anticipated to occur at the November 14, 2018 IWMA Board meeting

5. Timeline:

Our office hopes to finish the project within 2 months following contract award. A company representative should be prepared to present this report in a future public meeting and be able to answer questions regarding its content. Tentatively this presentation would occur at the January 9, 2019 IWMA Board meeting.

6. Elements of Proposal:

The following elements shall be included in the proposal: Staffing, Timeline, Costs and specific discussion of procedures proposed to be performed. With respect to staffing project proponents shall include a list of key staff, their titles and experience and how much time they will be assigned to this proposal. Resumes should be included in the proposal. Also, a list of references with similar type of forensic audits performed by the firm in the last 10 years. In the Timeline section provide an expected completion dates for preliminary work, fieldwork, draft report and a final written report which will include findings and recommendations. Lastly, all

costs should be identified in the proposal as time and materials with an amount not to exceed. Any change in scope would only be authorized if it were pre-approved, in writing, by the IWMA Interim Manager and the IWMA Board Chairperson.

All questions regarding this Request for Proposal shall be submitted in writing (email can be utilized) to: San Luis Obispo County Integrated Waste Management Authority, attention: Mike Giancola or mgiancola@iwma.com. The IWMA will respond back in writing to all proponents and any written replies are the only form of communication that shall be considered when preparing your Request for Proposal.

TO: IWMA Executive Committee
FROM: Mike Giancola, Interim Manager
RE: **Executive Committee Meeting Schedule** – Consider a meeting schedule for future meetings and cancelling the December 26, 2018 meeting.

RECOMMENDATION

Adopt the 2019, IWMA Executive Committee meeting schedule. Meetings are held on the last Wednesday of every even month. In addition, authorize the President to cancel the December 26, 2018 Executive Committee meeting.

The proposed schedule for 2019, would include meeting on the last Wednesday of every even month at 12:00 noon. The actual dates in 2019, would be:

February 27, 2019

April 24, 2019

June 26, 2019

August 28, 2019

October 30, 2019

December 18, 2019