

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, January 10, 2018
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA 93452

1. REGULAR SESSION: 6:02 PM

A. Roll Call

Chairperson Williams – Present	General Manager, Charles Grace
Vice-Chairperson McGuire – Present	District Counsel, Natalie Frye Laacke
Director Patel – Absent	
Director Russell – Present	
Director Kellas – Present	

B. Pledge of Allegiance

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Larry McGuire asked that the Board make an effort to please speak louder during discussions so that members of the audience could hear the Board members' comments.

Henry Krzciuk inquired about the change in the agenda format.

Natalie Fry Laacke responded that the agenda was updated to be more efficient and comply with the Brown Act. She also provided information on how consent agenda items work.

Leroy Price referenced policy number 6060.425 and stated that there were items missing from the minutes per the policy manual.

3. SPECIAL PRESENTATIONS AND REPORTS

NONE

A. STAFF REPORTS:

i. Sheriff's Report for December

None

ii. General Manager's Report Summary of December Activities

During the month of December, staff sent out regular customer billing. Staff also completed the following items:

- Staff responded to 3 public records requests.
- Staff gathered information and conducted research for the Reservoir Project.
- Staff continued working with Phoenix Engineering on the Water Master Plan.
- Staff made updates to the Emergency Response Plan/Vulnerability Assessment for the District.

- Staff attended an Emergency Response Plan webinar.

Charlie Grace mentioned that staff continued to work with the California Coastal Commission on the special conditions for the Coastal Development Permit. He spoke about three specific changes and stated that there may be a need for a special meeting.

Director Russell stated that the staff activity under the General Manager’s report should include items such as office hours, phone calls, visitors, mail, etc.

Director Kellas asked for a copy of the changes that had been made to the Emergency Response Plan/Vulnerability Assessment.

iii. Superintendent’s Report Summary of December Activities

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- One load of sludge was hauled away.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- There was a power outage on 12/12/17. Staff was on site to monitor the facilities which included filling the reservoir under generator power.
- Monthly water meter reading was performed.
- Monthly repickling of the R.O. Unit was performed.

3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- SLO County Air Pollution Control District was out for an inspection of the facilities.

Director Russell inquired about numbers on page 2 of the superintendent report that stated N/A.

Jerry Copeland responded to his questions.

iv. District Financial Summary

November Billing Revenue	\$ 63,705.91
December Billing Revenue	\$ 47,724.83

Past Due (31 to 60 days)	\$ 390.28
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Past Due (60 days)	\$ 32.33
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ENDING BANK BALANCES

December 31, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account	\$ 79.00
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HERITAGE OAKS BANK:

Money Marketing Account Closing Balance November 30, 2017	\$ 831,060.78
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Interest for November	\$ 247.08
Money Marketing Account Closing Balance December 31, 2017	\$ 831,307.86
	Reserve Fund (\$ 250,000.00)
	Wait-list Deposits (\$ 45,750.00)
	Customer Deposits (\$ 9,708.00)
	Available Funds \$ 525,849.86
General Checking Account November 30, 2017	\$ 139,629.26
LAIF Closing Balance December 31, 2017	\$ 527.40

Director Russell inquired about the increase of the billing amount to the State of California.

Charlie Grace responded that he believed it was correlated to the reopening of the public restrooms.

v. District Counsel’s Report Summary of December activities

Natalie Frye Laacke reported that counsel had worked with District staff to streamline the agenda, and she followed up on questions regarding minutes for a closed session special meeting.

C. BOARD OF DIRECTORS AND COMMITTEE REPORTS

None

D. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS

None

4. CONSENT AGENDA ITEMS:

Public Comment:

None

A. Review and approval of Minutes for the Regular Meeting on December 13, 2017.

B. Review and approval of Disbursements Journal.

C. Review and approval of Minutes for the Regular Meeting on November 8, 2017.

D. Review and approval of Minutes for the Special Meeting on November 8, 2017.

Director McGuire recommended several grammatical changes to the December 13, 2017 minutes.

Director Russell asked about the correct process for approving the consent agenda items and how to go about pulling an item from this agenda if he had questions.

A motion was made to approve consent agenda items 4A-4D.

Motion by: Vice-Chairperson McGuire

2nd: Director Kellas

All in: 4 / 0 (Director Patel absent)

5. BUSINESS ITEMS:

Public Comment:

Bob Hather commented about item 5C (water storage tank project). He proposed ideas for the alternative suggestions for the reservoir project. He suggested the District come up with an impact water fee for the people on the waitlist in order to raise money for the project. He also suggested a change to the proposed 12 inch line on the plan. He also suggested reviewing fire sprinkler installation on existing buildings. Mr. Hather also stated that the District needed to work towards creating enough water storage for all projects, not just the current residents, in order to avoid the potential for a lawsuit.

Chairperson Williams asked Bob Hather to please provide copies of his notes, so that the Board could reference them in the future.

Director Russell asked Bob Hather for clarification about the impact fee item.

Bob Hather responded to the question.

A. Consideration on Board vote on Chairperson and Vice Chairperson for the 2018 Calendar year.

A motion was made to nominate Dan Williams as Board Chairperson.

Motion by: Director Russell

2nd: Vice-Chairperson McGuire

All in: 4 / 0 (Director Patel Absent)

A motion was made to nominate Mary Margaret McGuire as Board Vice-Chairperson.

Motion by: Chairperson Williams

2nd: Director Russell

All in: 4 / 0 (Director Patel Absent)

B. Consideration of approval of the District Fiscal Audit for 2016-2017.

Director Russell inquired about any potential red flags outlined in the audit.

General Manager Charlie Grace responded no.

Director Kellas stated that there were typos that needed correction. One was listed on page 2 of the audit letter and used the language "of the of the" two times. The second typo was listed on pg. 11. The language was a partial reference to custodial credit risk and was not relevant to our audit.

A motion was made to approve the District Audit for fiscal year 2016-2017 as amended with changes from Director Kellas.

Motion by: Director Kellas

2nd: Vice-Chairperson McGuire

All in: 4 / 0 (Director Patel Absent)

C. Discussion and Consideration of the water storage tank and water distribution system project(s) including consideration of alternative smaller tank and Water Master Plan priority task list.

Director Kellas provided a handout and spoke about different phases for the project outlined in her handout. She asked Charlie Grace about an 8" pipeline being left off of his diagram.

Charlie Grace stated that costs will increase under the change that Director Kellas pointed out.

Julia Stanert asked a question.

Hank Krzciuk asked a question.

Charlie Grace responded to their questions.

Director Kellas asked a question.

Parts of Director Kellas's comments are inaudible.

Charlie Grace summarized Director Kellas's comments so that the audience could be involved.

Charlie Grace mentioned that the idea of coupling the storage tanks needed to be reviewed by an engineer.

Vice-Chairperson McGuire inquired about what agencies would need to sign off on the phased project idea.

Director Kellas replied to her question. She also addressed that her plan would provide fire coverage.

Chairperson Williams asked Director Kellas for clarification on her handout. Stating that staff had provided correspondence from two fire officials that recommended a larger volume of storage that was in line with the fire code.

Vice-Chairperson McGuire asked about the District's ability to create a plan that did not meet fire code.

Natalie Frye Laacke replied that if a project was phased that Cal Fire may be amenable to this approach.

Director Kellas referenced the portion of fire code that allowed for a variance to be applied.

Vice-Chairperson McGuire suggested that perhaps both plans could be presented to the District Engineer to see which one he would recommend.

Charlie Grace replied that Cal Fire had advised him that the requirement was 1.4 million gallons. He also explained that staff was looking for direction from the Board about the idea of a phased project.

Director Kellas stated “Can you do a corrected or new schematic that shows the new tank placement at 400,000 in series with the existing, both pipelines coming down with the size so that we have an actual correct drawing, get feedback from Jon to find out what the best points of advantage would be to increase the pipeline for the maximum amount of fire coverage. Then ask the fire department this is what we can put as far as the money that we have and provide the greatest possibility as far as fire protection. Phase 2 would come if we get the grant to increase the pipelines and then we would have fire protection”.

Chairperson Williams asked Director Kellas if this was her motion.

Director Kellas replied yes, that it was what she had explained on her handout.

Charlie Grace reiterated that the motion was to update the schematic and move forward with a 400,000 gallon tank coupled with the existing storage, show the updated pipe size, and then return to Cal Fire with this approach to Phase 1 of the project.

A motion to do a corrected or new schematic that shows the new tank placement at 400,000 in series with the existing, both pipelines coming down with the size so that we have an actual correct drawing, get feedback from Jon to find out what the best points of advantage would be to increase the pipeline for the maximum amount of fire coverage. Then ask the fire department this is what we can put as far as the money that we have and provide the greatest possibility as far as fire protection. Phase 2 would come if we get the grant to increase the pipelines and then we would have fire protection

Motion by: Director Kellas

2nd: Director Russell

All in: 4 / 0 (Director Patel Absent)

6. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

Director Kellas requested that information be provided about the fire-hydrants cost, location and fire flow.

Chairperson Williams asked for a consensus. None was reached. No action was taken.

7. ADJOURNMENT @ 7:40 PM