

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, March 8, 2017
6:00 pm

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

1. REGULAR SESSION: 6:00 PM

A. Roll Call

Chairperson Williams – Present
Vice-Chair Fields – Present
Director Patel – Present
Director Russell – Present
Director McGuire - Present

General Manager, Charles Grace
District Counsel, Heather Whitham
Sheriff Representative, Commander Taylor

B. Pledge of Allegiance

2. PUBLIC COMMENT:

Henry Krzciuk commented regarding his correspondence submitted on February 25, 2017. This correspondence addressed concerns related to the descriptions of agenda items. Mr. Krzciuk stated that he received a letter from District counsel and that this letter addressed his concerns.

Julia Stanert commented about safety issues in the community. She expressed concerns about lack of sidewalk in front of several vacant lots located on Castillo Drive. She stated that this causes tourists to walk in the street and was concerned about the potential for tourists to become injured.

Stanley Stanert questioned why there is no sidewalk in front of the vacant lots.

John Richardson commented that he appreciates the concerns about the lack of sidewalks. He is concerned more about how this issue is affecting the residents.

A. Sheriff's Report – Report for February.

For the period between February 8 and March 8, 2017 the Sheriff's Office received 28 calls for service in the San Simeon area. Included in these numbers are:

- 4 Traffic Stops by deputies on motor vehicles.
- 2 Foot Patrols on the Pico Ave beach access area.
- 1 Pedestrian contact that resulted in an arrest for an outstanding warrant.

Vandalism

On 2/13/17 deputies investigated the spraying of graffiti on the wooden railing and benches at the Pico Avenue beach access. The graffiti was indicative of Hispanic gangs (Surenos). District personnel cleaned up the graffiti. Photographs were taken and forwarded to the Sherriff's gang unit, but no specific moniker was found that identified the suspects.

Shots-Heard

On 3/4/17 the Sheriff's Office received two calls of "shots" heard from the vicinity of the beach. Deputies investigated and found a witness who reported that subjects had been on the beach setting off fireworks. The subjects had left before deputies arrived on the scene.

Current Staffing as of March 8, 2017 remains at:

1 CMDR, 2 sergeants

21 deputies assigned to patrol with three of them out for injuries that occurred on duty.

1 School Resource Officer (SRO) and 1 Rural Crimes Deputy

1 Trainee assigned to FTO (?)

There have been several phone scams reported throughout the county. A woman in Los Osos was contacted and told that she had won the Publishers Clearing House sweepstakes. She submitted two payments totaling the amount of \$4,500.00 in order to claim her prize. Deputies in Los Osos submitted the complaint to detectives in Brooklyn, New York.

B. Public comment on Sheriff's Report.

Vice-Chair Fields inquired about the staffing levels at the Sheriff's office with the closure of Highway One.

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD:

None

4. STAFF REPORTS

A. General Manager's Report

1. Staff Activity – Report on Staff activities for the month of February.

Staff sent out water billing, and responded to several resident concerns on parking, trees, and other issues. Staff is continuing their work on the District archives. Relabeling and a new inventory sheet are being created. Staff performed additional well and distribution system monitoring during rain events. Staff worked with Engineering to design an emergency bluff protection project and bid package. Staff worked with the County to obtain an Emergency Repair Permit. Staff worked to arrange for road plates to be delivered to the Quality Inn parking lot where the Avonne Avenue storm drain has created a large hole.

2. Update – Reservoir / Storage tank project.

Staff is currently working on the standard District consulting agreement with Phoenix Engineering. There are no other updates at this time.

3. Communication with Fair Political Practice Committee (FPPC) regarding Grace Environmental.

Grace Environmental (GES) contacted the FPPC regarding potential or actual conflict of interest issues arising out of GES participating as a budget committee member or performing General Manager Services and received a response from the FPPC stating that sometimes it is not appropriate to issue a written response and the request may be denied. The request was also sent to the Attorney General's office and local district attorney's office for their comments, if any. Attached is a memo from District Counsel.

Heather Whitham spoke and stated that this is an update and that GES is following up on the request from the FPPC. She explained that they will follow up once a response is received. Chairperson Williams responded that General Manager Grace will remain on the Budget committee at this time and that he has full confidence in him.

Henry Krzciuk commented about the letter that he submitted to the District on March 3, 2017. He expressed concern about the District following their procurement policy. He addressed policy 4042.11 regarding projects going out to bid. He requested that the District put a hold on any contract work with respect to Prop. 1 grant money funding and working with Phoenix Civil Engineering. He requested that this project be sent out to bid per policy 4042.11.

Heather Whitham commented about the District's procurement policy. She stated that the District follows the Uniform Public Construction Cost Accounting Act (UPCCA). She stated that this project is already in compliance with the UPCCA. She also stated that the scope of the project is covered under the professional services portion. There are no formal bidding requirements for these projects. She also stated that the District is in compliance with all of its policies. She stated that the District does have discretion to put the project out to bid if they wish too. Renee Osborne commented that there were handouts showing different rates for engineering firms and that Phoenix Civil Engineering has the lowest rates. Director Russell asked a question about the purchasing policy and various documents that regulate the District.

B. Superintendent's Report

1. Wastewater Treatment

- 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.
- Provided additional monitoring and staffed the facility during rain events.

2. Water / Distribution Systems

- 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).
- Monthly water meter reading was performed.
- California Rural Water Association completed a leak detection survey of the distribution system and found none.
- Chloride levels continue to be monitored throughout the system.

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.
- Plastic was placed at the Pico bluff area in an effort to mitigate the erosion before a permanent solution is installed.
- Graffiti was removed on and around the Pico Beach access stairs and benches.
- Pot holes were filled around the district.

General Manager (GM) Charlie Grace commented that the California Rural Water Association completed a leak detection survey of the distribution system free of charge to the District. He also stated that this information will be helpful when the new Water Master Plan is created, stating that hopefully this will assist when requesting grant money for the District. GM Grace also explained the process used to look for leaks in the distribution system.

Vice-Chair Fields asked about page 2 of the Data Summary Sheet. He also asked if we knew the all-time height of the wells. Jonathon Weise answered these questions.

C. District Financial Summary

January Billing Revenue	\$ 61,984.80
February Billing Revenue	\$ 54,593.47
Past Due (31 to 60 days)	\$ 482.75

Past Due (60 days) \$ 600.93

ENDING BANK BALANCES: February 28, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account \$ 40.05

HERITAGE OAKS BANK:

Interest for February \$ 138.99

Money Marketing Account Closing Balance January 31, 2017 \$ 517,615.95

Money Marketing Account Closing Balance February 28, 2017 \$ 517,754.94

Reserve Fund (\$ 250,000.00)

Wait-list Deposits (\$ 45,750.00)

Customer Deposits (\$ 9,708.00)

Available Funds \$ 212,296.94

General Checking Account February 28, 2017 \$ 119,771.58

LAIF Closing Balance February 28, 2017 \$ 523.77

Henry Krzciuk commented that the according to policy the Budget Committee should be meeting and there should be budget review at the April meeting.

D. District Counsel's Report Summary of February activities.

Heather Whitham stated that counsel worked on a variety of issues. They responded to questions from staff regarding citizen concerns and bidding requirements. They prepared a memorandum to address the FPPC issue. They assisted with the preparation of a response to a citizen complaint and responded to a citizen complaint regarding a potential Brown Act violation. They reviewed the draft contract with David Crye Engineering for the work to be completed on the Pico Avenue Emergency Repair. They participated in the preparation and review of the March agenda. Heather Whitham also responded to a question from the Board about whether the District could charge individuals for being placed on the water waitlist. She stated that the issue is complex but that the answer is yes, and it is not a violation to charge someone who opts to be on or added to the waitlist.

Director McGuire stated that being on the waitlist is not a guarantee that you will ever get water. Heather Whitham stated that this was correct.

5. ITEMS OF BUSINESS

A. Consideration of approval of last month's minutes – February 8, 2017.

A motion was made to approve minutes with the corrections recommended by Director McGuire.

Motion by: Director Patel

2nd by: Director Fields

All in: 5 / 0

B. Consideration of approval of Disbursements Journal – March 8, 2017.

A motion was made to accept the Disbursements Journal as presented with an edit to the line item on the warrant report that said “Tree Removal”.

Motion by: Vice-Chair Fields

2nd by: Chairperson Williams

All in: 5 / 0

6. DISCUSSION/ACTION ITEMS

A. Consideration of approval of Tech Bunnie’s warranty, maintenance and payment plan for website services.

A motion was made to approve Tech Bunnie’s warranty, maintenance and payment plan for website services.

Motion by: Chairperson Williams

2nd by: Director Russell

All in: 5 / 0

B. Consideration of approval of David Crye General Engineering Contractor Inc. bid for Emergency Repair, Pico Avenue Slope Protection for the Pico Avenue Bluff in the amount of \$33,857.

Leroy Price commented that he was unsure why we were spending \$30,000 to install a temporary solution. He thought that the District should explore a permanent fix.

Gwen Kellas commented that she was concerned because the fix is only temporary. She was also unsure why we were choosing to go with the cheapest bidder.

General Manager Grace explained that the District was choosing to go with a temporary fix, the emergency permit, because of time concerns. There is concern about how much time it would take to obtain a permit for a permanent fix.

Henry Krzciuk commented about the ADA accessibility and handrail being unfinished. He also asked how many feet out the gabion protection will go.

General Manager Grace explained that the rain had caused a delay in the project being finished. He stated that the project was not finished yet. He said that he would contact the builder to have the project completed.

A motion was made to approve the contract.

Motion by: Director Russell

2nd by: Vice-Chair Fields

All in: 5 / 0

C. Consideration of approval of Phoenix Engineering Master Plan Update Proposal in the amount of \$25,390 for Task 1 – 6, or \$30,184 to include optional Task 7.

Jon Turner was present and answered questions from the Board. He presented an explanation on the task orders associated with the proposal.

Director Russell commented that he thought there should also be a portion to include a road plan. Jon Turner stated that he would be more than happy to include (no charge) a road plan as part of the Water Master Plan.

Henry Krzciuk submitted a handout. He stated that John Turner will do a fine job. He took exception to Heather Whitham's comments about the law and the State of California's professional services laws. He also stated that Policy 4042 is being knowingly violated and stated that the Board is going on record as violating the policy.

Heather Whitham responded by stating that District Policy 4042.11, Employment of Outside Contractors and Consultants, addresses contractors performing public work projects which require formal bids. Policy 4042.12 pertains to the preparation of a written document. This project does not require a formal bidding process. She also stated the District has a more thorough bidding process than what is covered by District policy. She stated that she had no concerns about the adoption of this contract without any formal bidding process.

A motion was made to approve the Phoenix Engineering Master Plan Update Tasks Orders 1-7.

Motion by: Director Russell
2nd by: Vice-Chair Fields
All in: 5 / 0

D. Board Chair nomination of new Water Committee Member.

A motion was made to nominate Leroy Price to the Water Committee.

Motion by: Chairperson Williams
2nd by: Director Russell
All in: 5 / 0

Chairperson Williams nominated Leroy Price to be on the Water Committee. Gwen Kellas commented that there were other community members interested in being on the Water Committee. Julia Stanert stated that she was interested in being more involved with the Board and the community. John Richardson stated that he was initially interested, but since Leroy Price is being nominated he withdrew his interest. There was discussion about allowing both Leroy Price and Julia Stanert to be on the committee and about how many members were allowed to be on the committee. Heather Whitham determined that there was nothing regulating the number of members allowed on this committee. It was agreed that there would be 6 members on the committee.

A second nomination was made to nominate Julia Stanert to the Water Committee.

Motion by: Director Russell
2nd by: Director McGuire
All in: 5 / 0

E. Review/discussion of process/procedures/policy for the public to ask for items to be added onto the agenda.

Henry Krzciuk commented that he had two handouts but would only pass out one because it was not going to change anything and was a waste of time. He stated that there is a Policy and Resolution 99-255 (his hand-out) that had already been passed. He suggested an open and fair policy that allows residents, business people, and resident staff members to discuss items that go onto future agendas. He wants to create a policy that is in compliance and consistent with the

Brown Act. He stated that there should be a practice that allows both residents and businesses to place items on the agenda and that he would like to see the secrecy disappear.

Mike Hanchett stated that he would like to take exception to Hank's statements. He stated that Mr. Krzciuk has taken up a lot of time at the meetings. He suggested that if something is to be placed on the agenda and the Chairperson or the General Manager is not going to make that determination, then a majority of the Board should make a determination. He further stated that, many times the items that are being discussed are not in the jurisdiction of the Board.

Director Patel stated that he did not want to pit the residents and the businesses against each other.

No formal action was taken.

F. Discussion of standing Committees and how they operate.

It was the consensus of the Board to table this item until the April Board Meeting.

7. BOARD COMMITTEE REPORTS – Oral Reports from Committee Members.

None

8. BOARD REPORTS – Oral Reports from Board Members on current issues.

None

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

None

10. ADJOURNMENT @ 7:53 PM