

**MEETING MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR BOARD MEETING**  
**Tuesday, June 14, 2022**  
**5:00 pm**

Pursuant to San Simeon CSD Resolution 22-448 and incompliance with AB 361 this meeting occurred as a virtual teleconference using the Zoom app.

**Internet Meeting Location – Via ZOOM**

**1. REGULAR SESSION @ 5:02 PM**

- A. Chairperson Kellas – Present
- Vice-Chairperson Giacoletti – Present
- Director de la Rosa – Not Present – Joined later in the meeting.
- Director Donahue – Present

**2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

Public Comment –

(1:35) Sherry Brajich commented on the WWTP relocation site analysis. She asked the Board to consider relocation sites outside the District boundary.

(5:20) Julie Tacker commented on the Special meeting agenda and the Dan Heimel matter being excluded from the June 14, 2022 meeting agenda. She also mentioned Ordinance 102 and the correspondence from Mr. Marcum.

(8:35) Henry Krzciuk commented on a complaint that he had filed about staffing changes to the GES contract stating that this was a violation of the GES contract.

(13:05) It was acknowledged that Director de la Rosa had joined the meeting.

(13:17) Director Donahue asked that the number of items on meeting agendas be more balanced. Vice-Chairperson Giacoletti asked that one of the new No parking signs on Jasper Way be relocated because it was blocking one of the residents viewshed.

**3. SPECIAL PRESENTATIONS AND REPORTS: (16:10)**

**A. STAFF REPORTS:**

- i. **Sheriff's Report** – None.
- ii. **CHP Report** – None.
- iii. **Superintendent's Report** – Charlie Grace provided a summary of May activities.
- iv. **General Manager's Report** – (18:45) Charlie Grace provided a summary of May activities. Jeff Oliveira provided an update on the Coastal Hazard Response Plan (CHRP).
- v. **District Financial Summary** – Charlie Grace provided a summary of May's financials.
- vi. **District Counsel's Report** – (31:00) Jeff Minnery provided a summary of May's activities.
- vii. **Board Member Report** – None.

**B. AD-HOC & STANDING COMMITTEE REPORTS: (31:50)**

- i. **Status Update** – Director Donahue provided a summary of the no camping Ordinance in the District Boundary stating that he was working with Supervisor Gibson's office on this matter.

- ii. **Status Update** – (35:10) Chairperson Kellas stated that this report was provided earlier in the meeting by Jeff Oliveira (OEC).
- iii. **Status Update** – None.
- iv. **Status Update** – None.

Public Comment –  
(36:00) Henry Krzciuk commented.

(39:30) Chairperson Kellas, Jeff Oliveira (OEC) and Charlie Grace provided additional information about the CHRP, the Dudek contract, the CHRP grant, and the website additions.

(45:30) Julie Tacker commented.  
(48:50) Sherry Brajich commented.

#### **4. CONSENT AGENDA ITEMS: (51:00)**

Chairperson Kellas pulled item G from the consent agenda and she requested that Item I be moved to the Business Action Items. Director Donahue asked to pull Item H and move it to the Business Action Items.

- A. ADOPTION OF RESOLUTION 22-449 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS OF AB 361.**
- B. REVIEW AND APPROVAL OF MINUTES FOR THE REGULAR MEETING ON MAY 10, 2022.**
- C. REVIEW AND APPROVAL OF MINUTES FOR THE SPECIAL MEETING ON MAY 26, 2022.**
- D. REVIEW AND APPROVAL OF DISBURSEMENTS JOURNAL.**
- E. ADOPTION OF RESOLUTION 22-450 APPROVING THE PROPOSITION 4 APPROPRIATION LIMIT FOR THE FISCAL YEAR 2022-2023.**
- F. APPROVAL OF A TRANSFER OF FUNDS FROM THE MONEY MARKET ACCOUNT TO THE LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT IN THE AMOUNT OF \$900,000.00.**
- G. APPROVAL OF JEFF OLIVEIRA TO BE A VOTING MEMBER OF THE WATER RESOURCES ADVISORY COMMITTEE (WRAC) ON BEHALF OF THE SAN SIMEON CSD.**
- H. APPROVAL FOR STAFF TO WORK WITH THE LOCAL AREA FORMATION COMMISSION (LAFCO) ON MATTERS RELATED TO THE HORSE TROUGH CONSUMPTION.**
- I. APPROVAL FOR STAFF TO DRAFT A WATER WILL SERVE LETTER AND BEGIN REVISIONS TO DISTRICT ORDINANCE NO. 102.**

(54:18) Vice-Chairperson Giacoletti commented on the costs associated with the Disbursements journal. Cortney Murguia responded to her questions about the Cooperative Strategies invoice and the CalPERS costs. The Vice-Chairperson commented that she regretted signing the settlement check for Robert Hather.

Public Comment –  
(57:18) Henry Krzciuk commented.  
(1:02:45) Julie Tacker commented.

(1:07:30) Charlie Grace spoke about Item G and OEC.

(1:09:01) A motion was made to approve Consent Agenda Items A-F.

Motion: Chairperson Kellas  
2nd: Director Donahue  
Vote: 4/0

Roll Call: Kellas: Yes      Giacoletti: Yes      de la Rosa: Yes      Donahue: Yes

## **5. PUBLIC HEARING:**

### **A. CONSIDERATION OF ADOPTION OF RESOLUTION 22-451 APPROVING THE FISCAL YEAR BUDGET FOR 2022/2023. (1:09:42)**

Chairperson Kellas introduced the item.

Public Comment –

(1:10:29) Henry Krzciuk commented.

(1:14:50) Julie Tacker commented.

(1:18:25) Vice-Chairperson Giacoletti commented on the budget. She complimented Mike Hanchett on the budget. She inquired about the costs paid to GES. Michael Hanchett (Budget Committee member) provided additional information to the Board related to the legal costs, the consumer price index (CPI) calculations, and the estimated revenue for the State flow rates. There was discussion about the need to review the Capital project lists. Director Donahue also commented about the legal invoices and professional fees. There was additional conversation about the amount of the rate increase, the overall increase amount, and the Prop. 218 process.

(1:39:40) A motion was made to approve adoption of Resolution 22-451 approving the budget for FY 2022/2023.

Motion: Chairperson Kellas  
2nd: Director de la Rosa  
Vote: 3/1  
No's: Giacoletti

Roll Call: Kellas: Yes      Giacoletti: No      de la Rosa: Yes      Donahue: Yes

## **6. BUSINESS ACTION ITEMS: (1:40:35)**

### **A. BOARD DISCUSSION, CONSIDERATION, AND APPROVAL OF PROPOSALS RELATED TO GRANT WRITING SERVICES FOR THE PERIOD OF THREE YEARS.**

### **B. BOARD DISCUSSION, CONSIDERATION, AND APPROVAL OF PROPOSALS RELATED TO ENVIRONMENTAL PLANNING SERVICES FOR THE PERIOD OF THREE YEARS.**

Chairperson Kellas asked to move these items to the July meeting agenda.

Public Comment on BAI Items 6A and 6B –

(1:43:00) Julie Tacker commented.

(1:47:00) Henry Krzciuk commented.

(1:53:03) Crystahl from Padre and Associates commented.

There was additional conversation between Director Donahue, Chairperson Kellas, and Jeff Oliveira, Charlie Grace about the various RFP's and the public comments.

**C. DISCUSSION, CONSIDERATION, DIRECTION TO STAFF REGARDING THE DISTRICTS EXISTING LIABILITY INSURANCE POLICY WITH SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) RENEWAL. (2:00:08)**

Chairperson Kellas introduced this item. Director Donahue asked if the Chairperson wanted to form an ad-hoc committee to review this matter. There was further conversation about contacting an insurance broker to assist with this matter.

Public Comment –

(2:03:29) Henry Krzciuk commented.

(2:04:55) Julie Tacker commented.

(2:08:10) Michael Cruz commented.

(2:10:35) Chairperson Kellas motion was made to ask District Counsel and Staff to work to find an insurance policy that better represents the needs of the District.

(2:10:52) Charlie Grace clarified that the extent that GES staff would work on this matter would be to provide insurance information to Adamski. Vice-Chairperson Giacoletti commented that she agreed with Michael Cruz's comments. There was further discussion between the Chairperson and Vice-Chairperson. Director Donahue also commented that he agreed with Michael Cruz. Director Donahue went on to further state that he and Vice-Chairperson Giacoletti could form an Ad-Hoc committee to research this matter.

(2:16:57) Chairperson Kellas withdrew her motion.

(2:17:30) Director Donahue made a motion that the District continue with the current insurance policy for another month.

Motion: Director Donahue  
2nd: Vice-Chairperson Giacoletti

Director de la Rosa spoke stating that he did not understand the motion. There was further discussion about the current SDRMA invoice for the District.

(2:19:25) Director Donahue and Jeff Minnery further discussed his original motion clarifying that the motion was to continue with the current insurance policy while Director Donahue and Vice-Chairperson Giacoletti continue researching additional insurance companies.

(2:22:53) Director de la Rosa asked for clarification of the motion. There was further discussion about the insurance policy and coverage requirements and the need for legal error and omissions verbiage in the policy. There was discussion about modifying the motion to include a timeline.

(2:33:00) The motion was repeated to have Director Donahue and Vice-Chairperson Giacoletti form an Ad-Hoc committee to review the insurance policy and come up with a better insurance policy with a local broker and bring it back to the Board.

Motion: Director Donahue  
2nd: Vice-Chairperson Giacoletti  
Vote: 3/1  
No's: de la Rosa

Roll Call: Kellas: Yes      Giacoletti: Yes      de la Rosa: No      Donahue: Yes

**D. DISCUSSION, CONSIDERATION, AND APPROVAL OF THE RECOVERED ORGANIC WASTE PRODUCT PROCUREMENT POLICY. (2:34:13)**

Chairperson Kellas introduced the item.

Public Comment –  
(2:38:04) Julie Tacker commented.

(2:43:15) A motion was made to approve Option # 1 listed in the staff report.

Motion: Vice-Chairperson Giacoletti  
2nd: Chairperson Kellas  
Vote: 4/0

Roll Call: Kellas: Yes      Giacoletti: Yes      de la Rosa: Yes      Donahue: Yes

**E. DIRECTION REGARDING A REQUEST FOR PROPOSAL RELATED TO SERVICES FOR OPERATIONS, MAINTENANCE AND GENERAL MANAGER SERVICES. (2:43:41)**

Chairperson Kellas started to introduce this item. Cortney Murguia asked that the pulled Consent Agenda Items be heard ahead of BAI Item 6E.

**PULLED CONSENT AGENDA ITEMS: (2:44:34)**

**4.H. APPROVAL FOR STAFF TO WORK WITH THE LOCAL AREA FORMATION COMMISSION (LAFCO) ON MATTERS RELATED TO THE HORSE TROUGH CONSUMPTION.**

Chairperson Kellas Introduced the item.

Public Comment –  
(2:46:53) Henry Krzciuk commented.  
(2:49:25) Julie Tacker commented.

(2:52:14) Vice-Chairperson Giacoletti commented on the overall usage being 5 units for 2022. Director Donahue stated that he agreed with Vice-Chairperson Giacoletti comments.

(2:54:47) Michael Hanchett commented.

(2:55:50) Director Donahue responded to Michael Hanchett's comments and thanked him for his generous offer. Director de la Rosa agreed to chip in with Michael Hanchett's offer.

(2:57:00) Michael Hanchett commented.

(2:57:55) There was discussion about why LAFCO needed to be involved in this matter and the need to resolve this item.

(2:59:18) A motion was made to have staff work with LAFCO on the matters related to the horse trough consumption to say they can be handled in a grandfathered manner.

Motion: Chairperson Kellas  
2nd: Vice-Chairperson Giacoletti  
Vote: 4/0

**4. I. APPROVAL FOR STAFF TO DRAFT A WATER WILL SERVE LETTER AND BEGIN REVISIONS TO DISTRICT ORDINANCE NO. 102. (2:59:58)**

Chairperson Kellas introduced the item. There was further discussion between Vice-Chairperson Giacoletti and Jeffrey Minnery about this item.

Public Comment –

(3:03:35) Henry Krzciuk commented.

(3:05:50) Julie Tacker commented.

(3:09:20) Director Donahue commented that he agreed with Julie Tacker. Vice-Chairperson Giacoletti reminded the Board that the moratorium still needed to be removed.

(3:10:40) Sherry Brajich commented.

(3:12:19) A motion was made for Staff to issue a conditional will serve based on the instream conclusion to all on the waitlist to be mailed out no later than this Thursday.

(3:12:38) Jeff Minnery commented that the motion was concerning to him because the District was still operating under an existing moratorium, so the issuance of will serve letters would be problematic. He suggested that perhaps providing direction to staff to bring back these matters at the next meeting would be more appropriate. There was further discussion about the need to remove the hardship language from Ordinance 102. Jeff Minnery suggested that the District may not need hardship exemption hearings if the District established by a new ordinance that created a process to issue will-serve letters. He further stated that the direction was to bring this matter back in July. There was further discussion between the Directors and legal counsel related to how to handle hardship requests.

(3:18:00) Michael Cruz commented.

(3:18:40) Jeff Minnery stated that applications under the prior Ordinance 102 would still be valid while the new Ordinance was being adopted. He further stated that the Board could reach a consensus to direct staff to bring back a draft will serve letter and a revised Ordinance 102. There was further discussion between the Board and District Counsel related to the moratorium and issuance of conditional will serve letters.

(3:21:50) A motion was made that the Board intended to modify Ordinance 102 with the aim of removing the ambiguous hardship clause.

The motion was restated by Giacoletti: The intention is to modify Ordinance 102 to remove the ambiguity of the hardship clause.

There was further discussion among the Board members about the hardship clause.

(3:31:10) Director de la Rosa and Vice-Chairperson restated the motion as approval for staff to draft a water will serve letter and begin revisions to District Ordinance No. 102.

Motion: Vice-Chairperson Giacoletti

2nd: Director Donahue

Vote: 3/1

No's: Kellas

Roll Call: Kellas: No

Giacoletti: Yes

de la Rosa: Yes

Donahue: Yes

**Continuance of BAI Item 6E:**

**DIRECTION REGARDING A REQUEST FOR PROPOSAL RELATED TO SERVICES FOR OPERATIONS, MAINTENANCE AND GENERAL MANAGER SERVICES. (3:33:58)**

Charlie grace recused himself stating that he had a conflict because he had a business interest.

Chairperson Kellas introduced the item.

(3:35:40) Director Donahue commented that the Chris Rizzo should do the RFP not Adamski and not Jeff Oliveira with OEC.

Public Comment –

(3:37:30) Henry Krzciuk commented.

(3:42:05) Julie Tacker commented.

(3:45:38) Michael Hanchett commented.

(3:49:00) There was additional conversation about the RFP process among the Board members. Director Donahue clarified that he wanted three RFPs: one for GM services, one for operations, and one for combined services.

(4:00:10) Cortney Murguia clarified that GES would not be participating in the creation of the RFP process.

(4:00:50) There was further conversation about Chris Rizzo writing the RFP and what this would entail. Chairperson Kellas stated that she needed clarification from the Board members on who would provide the necessary information to the contractor who was going to write the RFP.

(4:06:22) A motion was made to have OEC write the RFP.

Motion: Director de la Rosa

2nd: Chairperson Kellas

Vote: 2/2

Abstain: Giacioletti

Roll Call: Kellas: Yes

Giacioletti: Abstain

de la Rosa: Yes

Donahue: No

(4:07:15) The motion failed. There was additional conversation about the need to resolve this matter at the current Board meeting.

(4:09:00) Michael Cruz commented. There was additional conversation between the Board members and Mr. Cruz.

(4:13:40) A motion was made that Counsel Minnery submit the last contract information to the Rural Water Corporation (Chris Rizzo) so he could create an RFP.

Motion: Chairperson Kellas

2nd: Director Donahue

Vote: 3/1

Roll Call: Kellas: Yes

Giacioletti: Yes

de la Rosa: No

Donahue: Yes

**7. CLOSED SESSION: (4:14:36)**

Public Comment –

(4:15:40) Henry Krzciuk commented.

(4:17:37) Julie Tacker commented.

(4:19:10) Michael Hanchett commented.

**A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section §54956.9 – Ron Hurlbert

**Report on Closed Session:** Kellas, de la Rosa, and Giacoletti returned from closed session. There was no reportable action.

**8. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS – None**

**9. ADJOURNMENT @ 9:58 PM**