

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR BOARD MEETING
1350 MAIN STREET
(Coast Unified Board Room)
CAMBRIA, CA 93428
Thursday, December 7, 2023
6:00 pm

SPECIAL MEETING OF THE SAN SIMEON COMMUNITY SERVICE DISTRICT
COUNCIL – MINUTES

Moment of Remembrance for Pearl Harbor

1. CALL TO ORDER

The Special Meeting of the San Simeon Community Service District Council was called to order at 6:00 p.m. by Vice Chairperson Tiwana.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Chairperson Tiwana.

3. Roll Call

Present: Director Holly Le, Director Jacqueline Diamond,
Director Michael Donahue, Vice Chairperson Karina Tiwana
Absent: None

Staff Present: Patrick Faverty, Ed.D., Interim General Manager
Nubia Goldstein, White Brenner LLP

Vice Chairperson Tiwana states a Cure and Correct of the November 2, 2023, Meeting

4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (6:02 p.m.):

Albert O' Connor expressed concern for a potential data breach and web investigation process.

5. SPECIAL PRESENTATIONS AND REPORTS (6:02 p.m. – 6:05 p.m.):

FRM Operations Report stated a summary of October activities with no reported abnormalities found in the system.

The Interim General Manager Stated a Summary of October's activities.

District Counsel stated that currently the District is recreating the November meeting and recommends a recreation of the November 2, 2023, meeting commence at this time.

6. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (6:05 p.m.- 6:12 p.m.).

- Julie Tacker expressed concern for the reasons for the cure and correct November 2, 2023, meeting, expressed concern of a potential Brown Act Violation for being unable. And made a request for the agendas to be sent and placed on a distribution list.
- Gwen Kellis expressed concern for the proper classification of the agenda items and accurate minutes.
- Bob Hather requests an update from the board for steps taken to address the Local Coastal Plan and still water report.

NOVEMBER 2, 2023, MEETING STAFF REPORTS:

Representative from FRM Operations Report Stated that there was no reported abnormal activity for the month of October.

Interim General Manager stated the report from November 2, 2023. Concerns were expressed regarding the water meter reading process with outdated and broken equipment, billing information has been entered manually and a meeting with the county is set up to discuss the repair of this issue. Spoke with an enforcement officer of the California Coastal Commission regarding the Pico stairway and sewer plant removal. Stated that the district was working with Streamline Webservices to provide more efficient website and email services.

District Counsel stated that there was no activity to report for the month of October.

The Sheriff's report was read by Vice Chairperson Tiwana and there was no activity to report for the month of October.

PUBLIC COMMENT OPEN TO THIS ITEM

- Gwen Kellis expressed concern for the lack of District Counsel's report when the district paid Counsel a substantial amount in legal fees.
- Steve Orellana expressed concern for the lack of a superintendent report and district financial reports.
- Henry Krzciuk expressed concern for the district's use of manual input of water billing data and suggested an automated billing system

7. CONSENT AGENDA ITEMS (6:24 p.m.-6:27 p.m.):

PUBLIC COMMENT OPEN TO THIS ITEM

- Julie Tacker stated the amount paid to White Brenner LLP was due to several months fee accrual of legal services.

A motion was made by Director Diamond to renew the approval of the November consent agenda items. Director Le seconds the motion.

Vote was taken as follows:

AYES: Le, Donahue, Diamond, Tiwana

NOES: None

ABSTAIN: None

ABSENT: None

8. BUSINESS ACTION ITEMS (6:27 p.m.- 6:37 p.m.):

PUBLIC COMMENT OPEN TO THIS ITEM-None

A. RGS TO PROVIDE AN UPDATE REGARDING OPENING AN INTEREST-BEARING BANK ACCOUNT

Vice Chairperson Tiwana expressed that Local Agency Investment Fund (LAIF) was used by the district but pays the lowest return rate with 3.59%, CAMP specializes in public agency investment at 5.5%, CLASS is run by California Special District Association with the league of California Cities 5.5 % or potentially higher.

Director Donahue expressed to be in support of the agenda item.

PUBLIC COMMENT OPEN TO THIS ITEM

- Julie Tacker expressed support for the Item recommendation. As well as concerns with the handling and transference of funds from city bank accounts with the issues of bounced checks

A motion was made by Director Diamond to accept the CLASS option for the interest-bearing account. Vice Chairperson Tiwana seconds the motion.

Vote was taken as follows:

AYES: Le, Donahue, Diamond, Tiwana

NOES: None

ABSTAIN: None

ABSENT: None

- B. APPROVE DISCRETIONARY SPENDING BY THE INTERIM GENERAL MANAGER UP TO \$10,000.00 WITH FOLLOW-UP REPORT TO THE BOARD FOR ANY EXPENSE ABOVE \$5,000.00.

Director Diamond expressed support for this agenda item.

Director Donahue expressed support for this item of the authority and discretionary spending by the General Manager

PUBLIC COMMENT OPEN TO THIS ITEM-None

A motion was made by Vice Chairperson Tiwana to approve the item. Director Diamond seconds the motion.

Vote was taken as follows:

AYES: Le, Donahue, Diamond, Tiwana

NOES: None

ABSTAIN: None

ABSENT: None

- C. REVISIT AND REFRESH PROJECT LIST FROM SPRING 2023 AND IDENTIFY ITEMS FOR INITIAL FOCUS.

Vice Chairperson Tiwana stated that the item was removed from the agenda and will be revisited pending a discussion from the Board.

PUBLIC COMMENT OPEN TO THIS ITEM

- Steve Orellana expressed concern for the list and questions if it is going to be removed and disregarded altogether.

Vice Chairperson Tiwana clarified that the list is to be renewed and refreshed not disregarded altogether.

9. CLOSED SESSION

District Counsel stated a recommendation that the items listed in the closed session be deferred to the end of the meeting to combine with the December closed session items. Made the correction of a typo of (5) items on the closed session agenda for November, and (2) for December with a total of (7) combined pending matters.

PUBLIC COMMENT OPEN TO THIS ITEM-NONE

A motion was made by Vice Chairperson Tiwana to combine the November and December closed session items for a total of seven (7) items. Director Diamond seconds the motion.

Vote was taken as follows:

AYES: Le, Donahue, Diamond, Tiwana

NOES: None

ABSTAIN: None

ABSENT: None

RETURN TO DECEMBER REGULAR MEETING- (6:42 P.M.)

PUBLIC COMMENT OPEN TO THIS ITEM

- Interim General Manager read comment on behalf of San Simeon resident Henry Krzciuk. The statement expressed concern with development projects.
- Gwen Kellis expressed concern with the Hurlbert settlement and the financial impact the settlement will have on the district.
- Steve Orellana stated personal comments GES on termination letter and concern with meter reading bills are estimated and
- Julie Tacker commented on Ms. Kellis' statement and stated the lack of transparency from the district to the county planning department caused the issue of Hurlbert.
- Sherriff Slaughter stated a report from the November 2023 Activities

10. BUSINESS ACTION ITEMS (6:55 p.m.- 8:06 p.m.):

PUBLIC COMMENT OPEN TO THIS ITEM-None

- A. DISCUSSION, REVIEW, AND APPROVAL DIRECTION FOR STAFF TO EVALUATE NECESSARY STEPS FOR LAFCO DIVESTITURE OR DISSOLUTION AND PREPARATION OF ACTION PLAN FOR CONSIDERATION IN FUTURE MEETINGS.

LAFCO's Presentation on Divestiture and Dissolution presented by Rob Fitzroy

Director Donahue posed the question of the criteria for protesting the decision.

Rob Fitzroy answered the question that all registered voters and landowners would be eligible.

Director Le posed the question of dissolution and county's responsibility if the steps to follow and legal liabilities as well as the option to withdraw at any time in the process.

Meeting Called Back into Session At (7:19 p.m.) Vice Chairperson Tiwana Called for a 4-minute recess for a videographer.

Meeting Called Back into Session At (7:23 p.m.)

District Counsel provided clarification on Director Le's question, and stated in a scenario the District would still be a legal entity in existence but there would be no way for it to function without a governing board.

Second District Supervisor Bruce Gibson stated and addressed concerns of the County being a successor agency, which will not be into effect until the County goes through and approves the divestiture process, as well as the urgency due to the district's current state.

PUBLIC COMMENT OPEN TO THIS ITEM

- Mary Margaret Mcquire stated a question as to why the LAFCO option is coming before the board now.
- Gwen Kellas made a comment and requested that the correspondence between the general manager and LAFCO be shared.
- Julie Tacker stated that the LAFCO matter of divestiture was brought to the board's attention years prior.
- Steve Orellana former superintendent for San Simeon CSD and expressed concerns for the potential loss of revenue in the divestiture by the selling of wastewater.
- Henry Krzciuk expressed concerns for wastewater management and the district's issues with development and administration.
- Citizen expressed concern for reason the board is seeking LAFCO divestiture.

District Counsel made a recommendation on the wording of a motion to state the following: A motion to direct staff to evaluate and accesses in preparation of municipality action or divestiture and preparation of supporting documents to submit for consideration.

A motion was made by Vice Chairperson Tiwana as counsel stated.

Motion withdrawn by Vice Chairperson Tiwana

District Counsel made a recommendation on the motion wording to state the following: Direction for Staff to evaluate necessary steps for divestiture and preparation of action plan for consideration at a future meeting.

A motion was made by Vice Chairperson Tiwana to approve the motion as stated by counsel, Director Diamond seconds the motion.

Vote was taken as follows:

AYES: Le, Diamond, Tiwana

NOES: Donahue

ABSTAIN: None

ABSENT: None

B. DISCUSSION, AND CONSIDERATION TO APPROVE AN AGREEMENT TO THE SECOND AMENDED AND RESTATES JPA AGREEMENT OF THE INTEGRATED WASTE MANAGEMENT AUTHORITY (IWMA) AND ADOPT A RESOLUTION

Interim General Managers states that the proposed item to rejoin the Integrated Waste Management Authority (IWMA) through a re-joining agreement addresses the issues and allows the county to rejoin the JPA. This pathway allows the county to rejoin the IWMA, the General Manager is asking the SSCSD to place the agenda approve the joinder agreement. It ends the country's separation of IWMA.

PUBLIC COMMENT OPEN TO THIS ITEM-None

A motion was made by Vice Chairperson Tiwana to approve the JPA Item as recommended, Director Le seconds the motion.

Vote was taken as follows:

AYES: Le, Donahue, Diamond, Tiwana

NOES: None

ABSTAIN: None

ABSENT: None

C. DISCUSSION, REVIEW, AND APPROVAL OF THE 2024 BOARD REGULAR MEETING SCHEDULE AND ELECTION OF OFFICERS.

Vice Chairperson Tiwana recommends that the board not hold a meeting in January 2024 due to the Holidays and to resume regular schedule meetings in February 2024, as well as that meeting being the month to elect officers.

Director Donahue suggests the possibility of moving the meeting to a different Thursday in January 2024 to accommodate the Holidays.

District Counsel recommends options the board could take to formally vote and approve the forgoing of the council meeting in January 2024.

PUBLIC COMMENT OPEN TO THIS ITEM-None

District Counsel recommends options the board could take to formally vote and approve the forgoing of the Board meeting in January 2024

A motion was made by Vice Chairperson Tiwana to approve the agenda item as stated as well as to forgo the January 2024 district council meeting, making the first meeting February of 2024. Director Diamond seconds the motion.

Vote was taken as follows:

AYES: Le, Diamond, Donahue Tiwana

NOES: None

ABSTAIN: None

ABSENT: None

11. PRESENTATIONS AND REPORTS (8:06 p.m.- 8:20 p.m.):

Representative from FRM Operations Report stated the plant's functionality, as well as the near completion of the fully automated installation.

Vice Chairperson Tiwana requests to Staff that the copies of the operations report be provided to the public.

Interim General Managers Reported progress with Streamline Web Services to build a new website and email services system. Also stated that he has been in contact with PG&E to repair the light post outages on Balboa Street. Also stated that he has been in contact with Springbrook to replace the billing system. Also stated that he has been in contact with LAFCO's Executive Director Rob Fitzroy to effectively communicate the best interest of board of San Simeon and LAFCO's requirements. Also stated that he has been in contact with the General Manager of Cambria, to possibly add economy to scale by sharing contracts within the district, and shared expenses for shared contracts.

Director Donahue posed the question to the General Manager regarding a report of CrisCom's activities.

Interim General Manager clarified the process of the grant application process opportunity.

District Counsel reported there was nothing of note to state but assisted staff by responding basic requests from a legal standpoint.

PUBLIC COMMENT OPEN TO THIS ITEM

- Henry Krzciuk requests the agenda be posted earlier for the general public's awareness.

12. CONSENT AGENDA ITEMS (8:20 p.m.-8:24 p.m.):

PUBLIC COMMENT OPEN TO THIS ITEM- None

- A. REVIEW AND APPROVAL OF MINUTES FOR THE REGULAR BOARD MEETING ON NOVEMBER 2, 2023.
- B. REVIEW AND APPROVAL OF NOVEMBER DISBURSEMENTS JOURNAL.

Director Donahue expressed concern and requests a complete package of all information and all activities that have been reported in the disbursement journals.

Interim General Manager stated the rebuilding and financial transition of the bookkeeping and billing system has required recent manual calculations.

Director Diamond posted the question as to the effectiveness of RGS's services.

Interim General Manager stated that the district is playing "catch up" in bookkeeping, which must be up to date before RGS can take over.

A motion was made by Vice Chairperson Tiwana to approve the consent agenda items. Director Diamond Seconded the motion.

Vote was taken as follows:

AYES: Le, Diamond, Donahue Tiwana
NOES: None
ABSTAIN: None
ABSENT: None

13. CLOSED SESSION (8:25 p.m.- 8:58 p.m.):

PUBLIC COMMENT OPEN TO THIS ITEM-Non

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code § 54956.9: seven (7) Potential Cases

SSCSD Board Closed Session 33 Minutes (8:25 p.m.-8:58 p.m.)

Meeting Resumes Session at (8:58 p.m.)

District Counsel's Report on Closed Session Items-Counsel stated direction has been provided to Staff. As two specific closed session items have been approved to report out by the board.

- i. The District had received a cure and correct demand letter regarding the technical problems from the November 2, 2023 board meeting- under state statute the District is required to comply with the special meeting requirements, with the abundance of caution the board has recreated the meeting tonight to allow the public to participate via zoom and in person in order to resolve the issue from the November 2, 2023 meeting.
- ii. The board has previously approved an investigation of racial discrimination claims from former Director Daniel de la Rosa upon his resignation from the Board of Directors earlier this year, upon the interview of witnesses and the revision of documents, the independent investigator hired by the Board made the following finding by the preponderance of the evidence. The investigation of racial discrimination claims from the in SSCSD board dealings from Daniel de la Rosa or Miguel Sandoval was not substantiated by the preponderance of the actual evidence. The Board has corrected a release of the final report, a copy of the report will be released to the public upon request once the appropriate redactions are made.

14. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS (9:00 p.m.)

PUBLIC COMMENT OPEN TO THIS ITEM - None

15. ADJOURNMENT (9:01 p.m.)

The Special Meeting of the San Simeon Community Service District adjourned at 9:01 p.m.