

SAN SIMEON COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS SPECIAL BOARD MEETING MINUTES

Friday, March 15, 2024
1350 Main Street
(Coast Unified Board Room)
Cambria, CA 93428

- 1. CALL TO ORDER: 6:00 p.m.;** Director Le is ill so she is on ZOOM, District Counsel reminded her of the requirements for Zoom participation,
- 2. ROLL CALL:** Vice-Chair Tiwana, Director Diamond and Director Donohue are in attendance, Director Le is on Zoom

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Bob Hather addressed the Board regarding delays in his property development project due to issues with the coastal commissions and accused the district of not responding to a comment letter

Gwen Kellas addressed the issue of the SSCSD not applying for grants from the USDA, EPA, and Department of the Interior, suggesting that the current board needed to start applying for grants to move forward

Bill Maurer was concerned about communication between the board and the district regarding Ca Coast Commission and addressing the Pico Stairway

Jim McConnell was concerned about trash being left behind the Blue Apartments on Avonne Ave.

Julie Tacker commented on the inadequacy of the RO unit and grants were available.

5. CONSENT CALENDAR ITEMS:

Comments: Gwen Kellas requested the FRM report be pulled

Motion to approve Consent Calendar: Director Diamond, Second : Director Donohue

Vote: 4-0 to approve

- A. REVIEW AND APPROVAL OF MINUTES FOR THE REGULAR MEETING ON FEBRUARY 1, 2024**
- B. REVIEW AND APPROVAL OF MINUTES FOR THE SPECIAL MEETING ON DECEMBER 7, 2023**
- C. REVIEW AND APPROVAL OF DISBURSEMENTS JOURNAL**

6. BUSINESS ACTION ITEMS:

Public comments at the conclusion of each business action item are limited to three (3) minutes per person per item.

A. ANNUAL BOARD ELECTION FOR CHAIR POSITION, VICE CHAIR

BOARD MEMBERS DISCUSSED THE POSSIBILITY OF ROTATING THE CHAIR POSITION PER EACH QUARTER.

MOTION TO APPROVE ROTATION OF CHAIR, BEGINNING APRIL 1, WITH DIRECTOR DIAMON FILLING THE SEAT FIRST. DIRECTOR DIAMOND. SECOND: DIRECTOR DONOHUE.
VOTE : 4-0 TO APPROVE ROTATION OF CHAIR POSITION

B. DISCUSSION, REVIEW AND APPROVAL OF A RESOLUTION OF THE BOARD OF DIRECTORS TO DIRECT STAFF TO PREPARE A RESOLUTION OF APPLICATION FOR DISSOLUTION, OR ALTERNATIVELY TO PREPARE A RESOLUTION OF APPLICATION FOR DIVESTITURE

INTERIM GENERAL MANAGER DR. PATRICK FAVERTY discussed potential actions for the community, focusing on the differences between divestment and dissolution. He suggested that dissolution could be the solution to address the significant issues facing the district, including the outdated infrastructure and the failure to keep up with maintenance for over 40 years
Board discussion over divestment or dissolution with motion to dissolve the district by Director Diamond, Second: Director Donohue.
Vote: 4-0 to direct staff to prepare A RESOLUTION OF APPLICATION FOR DISSOLUTION

7. DISTRICT STAFF & COMMITTEE REPORTS:

Public comments at the conclusion of District staff and committee reports are limited to three (3) minutes per person per item.

A. STAFF REPORTS:

i. FRM Operations Report – Summary of February Activities.

Jeff Cedillos of FRM discussed the challenges faced by the wastewater treatment plant due to heavy rainfall and the measures taken to reduce the amount of storm water inflow. Patrick noted the inadequacy of the district well depth to keep water clear and the necessity of close monitoring during rainy seasons. He also mentioned the need for a new filtration system to handle the increased water inflow.

COMMENT: Henry Krucziak- concern for State Parks intrusion in WWTP

ii. RGS Finance Report - Summary of February Activities.

Matt McCue, RGS, discussed the lengthy process of catching up with financial transactions and histories due to a of institutional knowledge and personnel turnover in the finance department. Patrick asked about transitional materials and processes, to which Matt explained the situation at hand. Patrick also expressed the difficulty experienced with the lack of clear financial information available in the transition

COMMENT: Bill Maurer – need more clarity in Financial info

Gwen Kellas – previous system worked

Henry Krucziak – The previous budget was on a corporate computer.

iii. Interim General Manager's Report – Summary of February Activities.

I'd like to introduce Ruth Montgomery. Ruth is from Colombia and lives in Cambria. She has a Master's Degree in Information Management along with 15 years of experience. She is currently working part-time to provide an online filing system for our Account Payable invoices as well as assisting during Board meetings. Welcome Ruth!

Recently, I had a long conversation with Kevin Kahn the Ca Coastal Commission Central Coast Manager. I had sent him photos of the deterioration of the Pico stairway and viewing area

following the letter we received from the Commission in January. Kevin mentioned that the stairway did appear to be much worse off than he thought. At the same time, he and I discussed the situation the district finds itself in with potential dissolution or divestment. He said, given the current circumstances the CCC would extend our timeline for moving the WWTP to 2039, with required updates in 2029 and 2034. He also stated the Coastal Commission would not pursue any further issues with the district, stairway included, while dissolution or divestment were being considered.

A large part of my time lately has been in discussions with LAFCO and the County in preparing for tonight's vote of Dissolution/Divestment. Now that we know the board wants to pursue dissolution, I will work to find contractors that can assist us with this project. Most likely, we need to find an engineering firm that can identify the physical processes and costs of moving the WWTP, establishing a specific location, adding the new water tanks, the piping and pumping that will likely be required, as well as removing the existing plant and returning the bluffs to their natural state. All of this information will certainly assist the County in considering and accepting district dissolution.

As I've stated previously, the district needs a stable governance system to manage these requirements, which is next to impossible under the current conditions. We are obviously unable to have a full-functioning, five member board. And for the last several decades, the district has struggled to maintain any form of reliable leadership that was capable of adding needed capacity for the necessary growth for the future.

Now, with a significant number of high-priority items required for improvement currently hanging over the District, the time to make a change is upon us. The district does not have the capacity to bring in millions of dollars of grants to make these changes all at once, nor do we have the sufficient number of water and sewer connections to raise rates to make any formidable impact. And, most importantly, our community is significantly disadvantaged in both the impact of the highway one closure on our hotels and restaurants as well as the economic levels of our community members.

We must seek assistance from a larger agency, that agency is the County of San Luis Obispo. With tonight's vote we will seek the assistance of LAFCO and the County to make that happen.

Other tasks in process:

The district is continuing the necessary repair of the pipe bridge through the County permitting process and the ocean outfall repair continues apace.

As all of us have noticed the district roads have seen significant pothole destruction in the rains. Recently, I spray painted the potholes so folks don't drive into them. As soon as possible after the rains we will be contracting for repair of the roads.

I have asked also asked our consultants at Akel and Stillwater to address the Coastal Commission Questions regarding the opportunity to lift the moratorium, which several of our landowners are requesting.

Of course, upon application for dissolution, the County will provide some direction in these areas, nonetheless, the district will continue to stay focused on these important tasks.

I might also mention that about a month ago we finally got to the bottom of the problem with the admin@sansimeonscd.org. The email appeared to have been left in an inaccessible loop. Once our tech got into the loop, we gained access again, pulled all of the email that had been wrapped in the loop out and have now gotten the email fully-functioning.

iv. District Counsel's Report – Summary of February Activities.

No report

8. NON-DISTRICT REPORTS:

Public comments at the conclusion of non-district reports are limited to three (3) minutes per person per item.

A. Sheriff's Report. The Sheriff was not in attendance

9. CLOSED SESSION:

Public comments on the closed session agenda are limited to three (3) minutes per person per item. The Board will adjourn to Closed Session to address the following item(s):

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code § 54956.9: Four (4) Potential Cases

B. REPORT UPON CONCLUSION OF CLOSED SESSION

Once a closed session has been completed, the legislative body must convene in open session. (§ 54957.7(b).) If the legislative body took final action in the closed session, the body may be required to make a report of the action taken and the vote thereon to the public at the open session. (§ 54957.1(a).) The report may be made either orally or in writing. (§ 54957.1(b).) In the case of a contract or settlement of a lawsuit, copies of the document also must be disclosed as soon as possible. (§ 54957.1(b) and (c).)

C. RECONVENE AND REPORT OUT OF CLOSED SESSION

REPORT: Directions to staff

D. BOARD COMMENTS:

This section is intended as an opportunity for Board members to make brief announcements, request information from staff, request future agenda item(s) and/or report on their own activities related to District business. No action is to be taken until an item is placed on a future agenda. NO COMMENTe

E. ADJOURNMENT TO THE NEXT REGULAR MEETING OF APRIL 4, 2024. 8:20 pm