

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Thursday, July 19, 2012
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

1. NO CLOSED SESSION

2. REGULAR SESSION@6:09 PM

A. Roll Call

Chairperson Ricci – Present
Vice-Chairperson McAdams – Present
Director Fields – Present
Director Price - Present

Also Present:

PG&E Rep – Joseph Cussary
General Manager – Charles Grace
District Counsel – Robert Shultz

B. Pledge of Allegiance

3. PUBLIC COMMENT:

Mary Giacoletti commented on the hazards of smoke/pollution in the air. She also mentioned that the SLO Board of Supervisors have voted to restrict smoking in fairly constrained areas. And in Sacramento there is a hearing regarding the further reduction of diesel exhaust emissions in the State of California.

A. Sheriff's Report – No Report Available

B. Public Comment

4. STAFF REPORTS

A. General Manager's Report

1. Staff Activity – Report on Staff activities for the month of June. Along with billing and collections, Staff Worked with counsel on USDA engineer contracts, and worked with Phoenix Engineering and Olivera Consulting on beach accesses. Staff contacted Cal Trans on behalf of the District to coordinate weed abatement on the Pico Creek Bridge around the bench area and coordinated with a local contractor to fix a sinkhole located on Avonne Avenue. APT Staff has been providing project coordination and labor for the SSRWP.

2. Grants, Loans and Partnership Opportunities –

USDA Loan: The final engineering contracts have been sent to USDA for final approval. A list of additional tasks has been given to staff and Phoenix Engineering to complete. After the tasks are completed, Phoenix Engineering will start the Bid Process for the construction of the Well Rehab Project.

San Simeon Beach Access Grant: Currently Staff is waiting for final construction costs of the San Simeon Avenue Beach Access and final design which will enable the path to become ADA compliant. Once the final cost estimate of the access is determined, Staff will look for additional funds to help pay for the project.

Welcome Sign: SLO COG is currently in the permitting process with Cal Trans. When Cal Trans approves the designs, permits can be issued and final designs can be approved.

3. Small Scale Recycled Water Project –

The Small Scale Recycled Water Project is up and running. Staff is currently sample testing the water per State requirements. There are still minor adjustments that still need to be made and tests passed before the water can be used for irrigation/ non-potable water uses.

B. Superintendent's Report

Wastewater Treatment Plant

- The wastewater treatment plant performed well this month. Staff continued with the manufacturer's recommended preventive maintenance on the facility equipment.
- Staff set the HIPOx disinfection unit, the Amiad filter equipment, the storage tanks and the pumps for the Small Scale Water Recycling Facility. We also installed all the piping for the system with the exception of the discharge hydrant which will be installed next month.
- Staff was also involved with the HIPOx staff, the Amiad staff, Phoenix Engineering and Pacific States Electrical and Instrumentation in the testing and start-up of the equipment.
- Reactor and Clarifier #2 was taken offline for annual inspection, maintenance and minor repairs. Reactor and Clarifier #4 is now online in replacement.
- One load of sludge was hauled away.

Water Distribution System

- All routine sampling and testing was performed.
- Monthly meter reading was performed.

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.
- Staff continued with weed and brush abatement throughout the District and the facilities.

C. District Financial Summary – Update on Monthly Financial Status for close of business June 30, 2012.

BILLING June 30, 2012

May Billing Revenue	\$ 44,166.86
June Billing Revenue	\$ 54,126.59
Past Due (31 to 60 days)	\$ 49.62
Past Due (60 days)	\$ 409.75

RABOBANK SUMMARY Ending Balances June 30, 2012

Money Marketing Account

Closing Balance	\$408,514.07
Reserve Fund	(\$250,000.00)
Hook up Deposits	(\$ 43,470.00)
Available Funds	\$115,044.07
SEP ACCOUNT 3	\$ 6,009.56
General Checking Account	\$ 102,152.12
Well Rehab Project/USDA Checking Account	\$ 100.00
SEP Checking Account	\$ 47,899.55
LAIF Closing Balance June 30, 2012	\$ 515.28
Accounts Payable (As of June 30, 2012)	\$ 49,669.53

D. District Counsel's Report – Oral Report on current issues.

Besides General District duties, Counsel has been working with the County Clerk Recorder on Election issues and Resolutions to resolve the vacant board position.

Counsel has also brought to the Board the finalized SWWC agreement. Item to be discussed during Discussion Action Item E.

5. ITEMS OF BUSINESS

A. Approval of last month's minutes - June 21, 2012.

Motion made to approve minutes as is.

**Motion by: Director Price
2nd by: Vice-Chair McAdams
All in: 4/0**

B. Approval of Disbursements Journal – July 19, 2012.

Motion made to approve disbursements journals as is.

**Motion by: Vice-Chair McAdams
2nd by: Director Price
All in: 4/0**

6. DISCUSSION/ACTION ITEMS

A. PG&E Street Light Program change out

The PG&E project management coordinator has been in contact with SSCSD Staff. PG&E is currently replacing certain “centerbore wood poles” (street lamps) on the west side of the highway with metal poles. The wood poles are reaching the end of their useful lives. They are not replacing all of the street lights, only certain ones on the west-side of the highway (see peach coding on attached worksheet). Attached are the 3 choices the District can choose from. The Series PL is the closest match to all the other street lights in the District that will not be replaced.

If the SSCSD decides they would like more than just the above mentioned poles replaced, the District could purchase street lights from PG&E at the cost of about \$10,000 per pole. The poles that can be replaced are green coded on the attached worksheet. The street lights that cannot be replaced are shown in blue on the attached worksheet.

Motion made to rescind prior motion for street light replacement of SL series to the Tear Drop Series

Motion by: Vice-Chair McAdams
2nd by: Director Fields
All in: 4/0

B. Resolution No. 12-351, Consolidation of District Election and Open Seats

Resolution No. 12-351 is for the consolidation of District Elections the County Elections in November 2012. The County has also asked for the District to update Resolution No. 12-351 to include the open 2 year seat from Terry Lambeth in the November Election ballot. Staff recommends approval of Resolution No. 12-351.

Motion made to approve Resolution No. 12-351.

Motion by: Director Price
2nd by: Vice-Chair McAdams
All in: 4/0

C. Resolution No. 12-352, Adoption of the 2012-2013 Fiscal Budget

During the May 17, 2012 Board Meeting a preliminary Fiscal 2012 – 2013 District Budget was presented for comment. Comments were received and addressed. Staff recommends approval of Resolution No.12-352 adopting the 2012-2013 District Budget.

Motion made to approve Resolution No. 12-352.

Motion by: director Fields
2nd by: Vice-Chair McAdams
All in: 4/0

D. Resolution No. 12-353 – Declaration of vacancy, appointment of Director

The County has asked the District to make a temporary appointment to fill the vacant seat of Terry Lambeth. The appointed term will be only until the November 2012 Election. The District received 3 applications in June for the position. Only Dan Williams and Mary Giacoletti have re-offered to run for the position.

Vote went as follows:

Chairperson Ricci – Dan Williams

Vice-Chair McAdams – Dan Williams

Director Fields – Mary Giacoletti

Director Price – Dan Williams

Motion made to approve Resolution No. 12-353 and approve Dan Williams to fill the vacant spot until the November 2012 Election.

**Motion by: Vice-Chair McAdams
2nd by: Director Price
All in: 3/1**

E. Settlement agreement between SWWC and SSCSD – District Counsel

As you are aware, the District gave Southwest notice of its intent to terminate in February of 2011, effective March 21, 2011. In response SWWC filed a lawsuit against the City claiming that it was entitled to the monthly fee of \$38,078 from February, 2011 through April, 2015 and claiming damages in excess of \$500,000. It has been the District's position that it properly terminated the Agreement based on Southwest's regular and repeated breaches of its obligations under the Agreement and knowing that SWWC was going to file a lawsuit, the District never paid SWWC for services rendered from February and March 2011 in the amount of \$63,646.35.

The settlement agreement requires the District to pay SWWC \$125,000 for complete release and dismissal against all claims between the parties. However, the District is only required to pay half of this amount in the sum of \$ 62,500.00. The other half in the sum \$62,500 be paid by SDMRA, the District's Insurance carrier. SDMRA would not pay the entire settlement because the District never paid SWWC for services rendered from February and March 2011 in the amount of \$63,646.35.

This is an excellent resolution for the District as it would have been very difficult for the District to prove that it was not required to pay SWWC for services rendered for February and March 2011 in the amount of \$63,646.35 and SDMRA was not going to cover the District for this amount.

It is the District Counsel's recommendation that the Board approve the attached settlement agreement between the District and SWWC.

Motion made to approve the SWWC settlement agreement.

**Motion by: Vice-Chair McAdams
2nd by: Director Price
All in: 4/0**

7. Board Committee Reports – None

8. Board Reports – None

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

None

10. ADJOURNMENT@7:24 PM