

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, June 14, 2017
6:00 pm

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

1. REGULAR SESSION: 6:02 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

B. Pledge of Allegiance

2. PUBLIC COMMENT

Bob Hather commented that he currently owned property on Avonne Ave. in San Simeon. He distributed a handout to the Board members. He stated that he was requesting a will serve letter because the Desal project had created water to get the ball rolling for developing policy and procedures. He hoped that the Water Committee would be directed to develop procedures that would figure out what the cost of water connections would be. He stated that the fire capacity should not be tied to any will serve letters because that is a CDF issue. He explained the building procedure at the county level and asked that a policy be created to issue a conditional will serve letter, which would allow property owners to start working with the County.

Julia Stanert commented that she was aware that some street painting was going to be done in the community. She stated that we needed a crosswalk in front of the liquor store and at the north end of Avonne Ave. where it meets Pico. She stated that it is kind of dangerous for pedestrians that are walking to the beach. She inquired about who would be responsible for this.

Chairperson Williams responded to Mrs. Stanert that another citizen Mr. Krzciuk had also addressed this issue.

A. Sheriff's Report for May.

None

B. Public comment on Sheriff's Report.

None

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD

Director McGuire announced that Litter Pick Up Day would be on Monday July 10. Anyone who wants to participate in this event can meet at the District Office at 8:30 am.

She also thanked Grace Environmental and Carmel and Naccasha for providing the table at the Tip-a-Cop event.

4. STAFF REPORTS

A. General Manager's Report

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

For the month of May, staff sent out billing. Included with the utility bills was the Consumer Confidence Report and an insert about defensible space. Staff also met twice with representatives from FEMA regarding the grant application that was submitted in April.

Staff has been working with Toste Construction to schedule the completion of the following items: painting safety stripes on the Pico Ave. Stairs beach access, restriping the District-owned streets where stop signs are located, moving the stop sign located at the west end of Otter to make it more visible to drivers, and other minor road and sidewalk repairs.

General Manager Grace commented that Jon and Jerry had done an excellent job during all of the excessive rains. There had been no exceedances.

2. Update – Reservoir/Storage tank project.

Phoenix Engineering is continuing progress toward 30% design. Arrangements for the geotechnical survey and topographic survey are being made.

3. Storm Drain Repair between Avonne Avenue and Castillo Drive.

Recently during rain activity the bottom of the 48" corrugated storm drain pipe that traverses the Quality Inn parking lot from Avonne Avenue to Castillo Avenue failed, creating a sinkhole. Currently road plates cover the hole. An attempt to video the pipe was made during which several holes were noted near the Avonne end of the pipe as well as near the Castillo end of the pipe. Staff is reviewing options such as slip lining, in situ form, and dig and replace. Staff will be soliciting bids for the repairs in compliance with the Uniform Public Construction Cost Accounting Act's informal bidding procedures. At the request of the public, staff researched County records and worked with the County Easement Department to determine who owns the storm drain. No record of ownership or easement was found. District Council's opinion is that the storm drain is part of the District's storm drainage system and the District is responsible for maintaining it.

Director Patel recused himself. He asked if anything had been found regarding ownership of the storm drain located underneath his property. He inquired about what the status was of finding who had ownership of the pipe.

Heather Whitham stated that counsel had been unable to find any documents that specified ownership or provided an easement for maintenance. She stated that their conclusion was that because it is a 48" pipe that it was part of the District's storm water drainage system and that it serves the District. It does not exclusively serve the property that it is located on therefore the District is responsible for maintaining it.

Director Patel asked about what the District would do to move forward.

Director Russell asked if there were any legal steps that the District should take to answer this question forever.

Heather Whitham stated that it would be in the interest of the District to get an easement in place that would allow for maintenance on it. She stated that they have reviewed all of the documents and this was their conclusion.

Mike Hanchett stated that his only question was the status of the other drains in the community. He mentioned that the Greentree (Courtesy Inn) has a 38" pipe and the Cavalier also has two drains, and the Mexican restaurant also has a 38" drain. He asked if the District would be responsible for these drains as well.

Chairperson Williams stated that the District was currently investigating this item.

Heather Whitham responded that each system would have to be looked at on an individual basis. The District would need to inventory and decipher which system is the District system, County system, Cal-Trans system, and some that storm drains are exclusive to the property that they serve. It really depends what each drain is serving, what the legal title documents show, and if there are easements. She stated that this determination about the Quality Inn was not a blanket answer. Other cases have to be individually reviewed and each may result in a different answer.

Mike Hanchett responded that this is where we run into problems, stating that the criteria needs to be established to determine ownership and not on a personality basis. At the time the project was built, it could not have been built without the drain. The road used to flood and the water was not contained so the drain was put in.

Heather Whitham responded that the criteria will not be established on personality but will be established on available information.

Mike Hanchett stated that there is no record of ownership of the drain because it was not the District's. We have no easement because it wasn't "ours" (meaning SSCSD) yet we will assume liability for it.

Heather Whitham stated that it is part of the District's system.

Ken Patel stated that if it is in fact his responsibility he will block it. He needs to know who owns it. His property is for sale.

Mike Hanchett stated he had concerns about the District establishing liability for the drain if it is not theirs.

4. Request for Will Serve

Staff received the attached Will Serve Request and cover letter addressed to the SSCSD Board for a vacant parcel located near the south east end of Avonne. Given that the District has a water moratorium that is currently in effect, the General Manager has no option other than to deny the request. However, staff recommends that it would be prudent at this time for the Water Committee to review the conditions that led to the established moratorium and assess current conditions in order to determine whether the moratorium is still necessary.

General Manager Grace recommended that the Water Committee meet in order to establish a clear path towards addressing the moratorium. He recommended that the committee meet.

B. Superintendent's Report – Summary of May Activities.

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- Annual laboratory proficiency testing was performed as required by the California Environmental Laboratory Accreditation Program (ELAP) and the State Water Resources Control Board (SWRCB).
- Two loads of sludge were hauled away.

2. Water Distribution System

- 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).
- Annual Consumer Confidence Report was completed and submitted to the DDW.
- Another hotel compound water meter was replaced.
- Monthly water meter reading was performed.

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.
- Staff met with FEMA inspector regarding repairs at Pico stairs, storm drain under Quality Inn parking lot, and the drinking water filter project.
- Pot holes were filled around the District
- Weed abatement was performed around the District.

C. District Financial Summary

April Billing Revenue	\$ 65,282.51
May Billing Revenue	\$ 65,157.44

Past Due (31 to 60 days)	\$ 436.09
Past Due (60 days)	\$ 242.62

ENDING BANK BALANCES

May 31, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account	\$ 10.05
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HERITAGE OAKS BANK:

Money Marketing Account Closing Balance April 30, 2017	\$ 507,682.60
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Interest for May	\$ 150.94
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Money Marketing Account Closing Balance May 31, 2017	\$ 507,833.54
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Reserve Fund	(\$ 250,000.00)
Wait-list Deposits	(\$ 45,750.00)
Customer Deposits	(\$ 9,708.00)
Available Funds	\$ 202,375.54

General Checking Account May 31, 2017

\$ 76,218.94

LAIF Closing Balance May 31, 2017

\$ 524.77

D. District Counsel's Report Summary of May Activities

Heather Whitham stated that counsel worked with staff on a variety of issues. They worked with staff on the budget preparation, storm drain repair research. They responded to various questions regarding issues such as the will serve request from Mr. Hather, the moratorium, and assisted with preparation of the Board packet.

5. ITEMS OF BUSINESS

A. Consideration of approval of last month's minutes – May 10, 2017.

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

Motion by: Director Russell

2nd: Director Patel

All in: 5 / 0

B. Consideration of approval of Special Meeting minutes – May 10, 2017.

A motion was made to approve the minutes with the corrections recommended by Director McGuire and General Manager Charlie Grace.

Motion by: Director Russell

2nd: Director Patel

All in: 5 / 0

C. Consideration of approval of Disbursements Journal – June 14, 2017.

A motion was made to accept the Disbursements Journal.

Motion by: Vice-Chair Fields

2nd: Chairperson Williams

All in: 5 / 0

6. PUBLIC HEARING

A. Consideration of Adoption of Resolution 17-388 Adopting the 2017-2018 Fiscal Budget.

Director Russell commented about how the closure of the road would affect revenue.

Mike Hanchett responded that irrigation would be allowed and he thought that this would offset the loss of revenue from the road closure.

A motion was made to adopt Resolution 17-388 adopting the Fiscal Budget for 2017-2018.

Motion by: Director McGuire

2nd: Director Russell

All in: 5 / 0

7. DISCUSSION/ACTION ITEMS

A. Discussion of Bids received to install a potable water filter system in the RO Building.

General Manager Grace commented that we did not receive any bids back. He explained that the options were to rebid or to self-perform. He expressed concerns about trying to rebid because it would further push out the project completion.

No action was taken.

B. Consideration of Board Approval of Resolution 17-389 establishing CEQA (California Environmental Quality Act) Class 1 Exemption Determination pursuant to Section 15301 under CEQA Guidelines for the Pico Avenue Bluff Erosion Repair Project.

General Manager Grace commented that the project was initially fixed under an emergency permit. The District now needs to obtain a permanent permit for the project.

A motion to approve Resolution 17-389 was made.

Motion by: Chairperson Williams

2nd: Director Russell

All in: 5 / 0

8. BOARD COMMITTEE REPORTS

None

9. BOARD REPORTS

None

10. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

It was the consensus of the Board to direct staff to complete the research of inventorying the community storm drain easements. Ken Patel did not participate in the consensus.

It was the consensus of the Board to direct staff to gather more information about the standards for crosswalk placement in the community.

11. ADJOURNMENT @ 7:10 PM