

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, July 10, 2019**  
**6:00 pm**

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

**1. REGULAR SESSION: @ 6:03 PM**

- |  |                                       |
|--|---------------------------------------|
| <b>A.</b> Chairperson Kellas – Present | District Counsel, Natalie Frye Laacke |
| Vice-Chairperson McGuire – Present     | General Manager, Charlie Grace        |
| Director Russell – Present             |                                       |
| Director Stanert – Present             |                                       |

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

**Public Comment –**

Henry Krzciuk commented on the proposed water rates.

**3. SPECIAL PRESENTATIONS AND REPORTS:**

**A. STAFF REPORTS:**

- i. Sheriff's Report** – Commander Nelson reported that there were 54 calls for service during the month of June.
- ii. Superintendent's Report** -- Jerry Copeland provided a summary of June activities.
- iii. General Manager's Report** – Charles Grace provided a summary of June Activities.

Charles Grace provided information about the Hazard Mitigation Plan and explained that the earthquake rating would be updated to reflect a higher priority rating.

Vice-Chairperson McGuire inquired about the status on Phoenix Engineering report related to the anticipated activities listed for the month of June.

Charles Grace responded that the tasks had been completed.

Vice-Chairperson McGuire and Director Russell discussed the 2000 series of the policy and procedures manual and provided an explanation related to how this matter was being handled.

- iv. District Financial Summary** – Cortney Murguia provided a summary of the District financials.
- v. District Counsel's Report** – Natalie Frye Laacke provided a summary of June activities.

**B. BOARD OF DIRECTORS AND COMMITTEE REPORTS:**

Vice-Chairperson McGuire reported that the trash pickup day on July 8, 2019 was a huge success.

**C. SPECIAL PRESENTATION: None**

**D. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:**

**Public Comment – None**

**4. CONSENT AGENDA ITEMS:**

**Public Comment –?**

**A. Review and approval of Minutes for the Regular Meeting on May 8, 2019.**

Vice-Chairperson McGuire asked that on the bottom of page 2 her last name be added to the 2<sup>nd</sup> motion. She also requested that on Page 4 item G change “page 26” to “page 48” and at the end of the sentence add “page 26”.

**B. Review and approval of Minutes for the Regular Meeting on June 12, 2019.**

Vice-Chairperson McGuire suggested that on page 2 the word meeting be changed to “meet”, and on page 3 item C the capitalization of words in the agenda item description be changed from capital letters to lower case.

**C. Review and approval of Minutes for the Special Board Meeting on June 24, 2019.**

Henry Krzciuk commented that under item A the language in the motion needed to include a reference to “Resolution 19-409”.

**D. Review and approval of Disbursements Journal.**

There was a discussion between Director Russell and Charlie Grace related to payments made to Grace Environmental Services for overage costs related to the power bills and the maintenance account.

Henry Krzciuk commented on the electric bills and his analysis of the bills for the RO building. He also remarked about the overage cost for staff to run the filter.

A motion was made to approve the consent agenda items 4A through 4D with the recommended changes.

Motion by: Director Russell

2<sup>nd</sup>: Chairperson Kellas

All in: 4/0

Absent: Director Smith

**5. PUBLIC HEARING**

**Public Comment – None**

**A. Hearing to consider the amended Water and Wastewater Capacity Fee Study**

Chairperson Kellas commented that after extensive research she felt that the capacity fee study was correct.

There was no public comment on this item.

There was a motion to waive the reading of Ordinance No. 120 in its entirety.

Motion by: Director Russell  
2<sup>nd</sup>: Vice-Chairperson McGuire  
All in: 4/0  
Absent: Director Smith

Director Russell inquired about Exhibit A of the Ordinance. Staff responded that the Capacity Fee Study would be included as part of Exhibit A.

There was a motion to approve the capacity fee study as is.

Motion by: Chairperson Kellas  
2<sup>nd</sup>: Vice-Chairperson McGuire  
All in: 4/0  
Absent: Director Smith

**B. Hearing to consider protests to a proposed increase in water and wastewater system rates**

Chairperson Kellas introduced the item.

Mary Giacoletti commented that she was opposed to the rate increase. She suggested that staff could find other ways to cut costs within the District budget.

Henry Krzciuk commented that he was opposed to the rate increase. He suggested that the Board wait until a formal rate study was conducted before any rates were adopted.

Mike Hanchett commented on the rate increase. As a member of the budget committee he provided extensive information related to how the proposed increases were calculated and the why there was a need for the increases.

The protest failed.

There was a motion to waive the reading of Ordinance No. 121 in its entirety.

Motion by: Chairperson Kellas  
2<sup>nd</sup>: Director Russell  
All in: 4/0  
Absent: Director Smith

There was a motion to accept the rate increase.

General Counsel Laacke commented that the motion did not formally adopt the ordinance until the August Board meeting.

Motion by: Chairperson Kellas

2<sup>nd</sup>: Director Russell

All in: 4/0

Absent: Director Smith

## **6. BUSINESS ITEMS:**

### **A. Discussion on California Coastal Commission Meeting.**

Chairperson Kellas introduced the item and recused herself. She left the room.

Henry Krzciuk commented that Chairperson Kellas was not legally required to leave the room.

Vice-Chairperson McGuire opened the discussion.

Henry Krzciuk inquired on this item and asked if a letter had been sent to the Commission per Board direction at the July, 3 2019 Special Board meeting.

Charlie Grace explained that the response from the CCC had been received at 3 p.m. on July 10, 2019 which was the same day as the current board meeting.

General Counsel Laacke summarized the correspondence and explained the top three point's made in the Commissions response letter.

No action was taken on this matter.

Chairperson Kellas rejoined the meeting in progress.

### **B. Consideration of candidates to fill the Board of Directors vacancy.**

Chairperson Kellas introduced the item.

William Carson introduced himself and provided a brief bio of his business holdings and history living in the community.

Director Stanert inquired about what constituted being a full-time (domiciled) resident.

General Counsel Laacke replied with legal background related to what constituted a full time resident.

Director Stanert responded that she had researched what domiciled meant. She specifically mentioned Mr. De La Rosa, who had determined on his own that he felt unqualified because he did not live full-time in San Simeon. Director Stanert put forth that this candidate was highly qualified and would have liked if he were considered for the position.

Vice-Chairperson McGuire, Director Stanert, and Charlie Grace discussed the residency requirement, the application process, and verbiage on the application related to full time residency.

A motion was made to appoint Will Carson to the Board of Directors.

Motion by: Chairperson Kellas

2<sup>nd</sup>: Vice-Chairperson McGuire

All in: 3/1

Abstain: Director Stanert

Absent: Director Smith

**C. Authorization for the General Manager to enter into an agreement with Simply Clear Marketing & Media in the amount of \$10,900.00 for website overhaul.**

Cortney Murguia introduced the item and read the staff report.

A representative from Simply Clear Marketing & Media (Brett Colhouer) provided information about the proposal.

Brett Colhouer responded to questions from Director Russell and Vice-Chairperson McGuire related to Board members having District email addresses, monthly maintenance costs, and overall benefits of having a new website. Brett replied that the Directors would have District email, the website would become .org, and be bilingual. The maintenance costs can be finalized at a later time.

Chairperson Kellas made a motion to move forward with the \$10,900 overhaul of website.

Motion by: Chairperson Kellas

2<sup>nd</sup>: Director Russell

All in: 4/0

Absent: Director Smith

**D. Discussion regarding the formation of a sub-committee related to regional infrastructure**

Chairperson Kellas introduced the item.

Vice-Chairperson McGuire suggested that it might be better to form a sub-committee that would be subject to the Brown Act, which creates more transparency for the community.

There was a conversation between Chairperson Kellas and Vice-Chairperson McGuire related to the need for a committee, the definition of regional infrastructure, and who was requesting that a committee be formed.

A motion was made to form an Ad-hoc committee.

Motion by: Chairperson Kellas

2<sup>nd</sup>: Director Stanert

All in: 3/1

No: Vice-Chairperson McGuire

Absent: Director Smith

After the vote Chairperson Kellas appointed Director Russell, Chairperson Kellas and staff member Courtney Murguia to the committee.

Motion by: Chairperson Kellas

2<sup>nd</sup>: Director Russell

All in: 4/0

Absent: Director Smith

**E. Approval of Resolution 19-411 authorizing matching funds for the NFWF Grant application.**

Chairperson Kellas introduced the item.

Henry Krzciuk inquired as to what project the grant is for.

Chairperson Kellas explained the grant is for the planning and design to move the WWTP.

A motion was made to approve Resolution 19-411 authorizing matching funds for NFWF Grant application.

Motion by: Chairperson Kellas

2<sup>nd</sup>: Vice-Chairperson McGuire

All in: 4 /0

Absent: Director Smith

Chairperson Kellas: YES

Vice-Chairperson McGuire: YES

Director Russell: YES

Director Stanert: YES

Will Carson commented on using this as photo opportunity for showing efforts to beautify coastline.

**F. Discussion regarding the Beautification Grant award and the scope of work to be completed.**

Chairperson Kellas moved Item F to be discussed after Item G.

Director Russell recused himself and left the room.

Director Stanert opened the discussion and asked if staff had requested any bids for work to be completed at the WWTP and along Pico Ave.

Charlie Grace replied that he was still waiting for quotes.

Vice-Chairperson McGuire commented that the District was not required to remove the ice plant near the riprap per the language in the special conditions.

Director Stanert inquired about the possibility of conducting ice plant removal at the end of Pico Avenue with the grant awards.

This item was tabled until the August Board meeting.

**G. Authorization for the General Manager to retain De Alba Construction to perform repairs at the Waste Water treatment plant (WWTP) not to exceed the amount of \$11,870.00.**

Chairperson Kellas moved Item G to be discussed before Item F.

Vice-Chairperson McGuire commented that District staff should contact the Coastal Commission.

A motion was made to allow the General Manager to retain De Alba Construction to perform the repairs with the condition that Brian at the Coastal Commission be contacted regarding necessary permits.

Motion by: Vice-Chairperson McGuire

2<sup>nd</sup>: Chairperson Kellas

All in: 4 /0

Absent: Director Smith

**7. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS –**

**8. ADJOURNMENT @ 8:42 PM**