Wednesday September 9, 2009 Oceano

The Meeting was called to order by President Mann at 6:23 p.m.

Roll Call

Present: President Mann, Vice President Hill, Director Dahl, Director Dean,

Director Lucey

Absent: None

Staff Present: Kevin D. Walsh, Board Secretary/Interim General Manager

Gina A. Davis, Deputy Board Secretary/Administrative Assistant; Brian Leathers, Fire Captain; Ryan Fothergill, District Legal Counsel

Staff Absent: Philip T. Davis, Utility Operations Supervisor

2. Flag Salute

President Mann led the flag salute.

3. Public Comment

Carolyn Novack, Red Cross volunteer, spoke to the Board about disaster awareness.

Mike Zimmerman, Oceano, introduced himself and announced his candidacy for SLO County Board of Supervisors to represent the 4th District.

Board Member Items/Discussion

Director Dahl announced that there will be a public meeting with regard to "Particulate Matter" on September 15 at 11:00 a.m. The meeting will be held at the SLO County Library in San Luis Obispo.

Director Lucey thanked AC Cassey Sanchez for her continued thorough job in preparation of the Board Meeting minutes.

Review and Approval of Minutes

a. August 26, 2009

VP Hill reminded staff that any attachments referred to in the Board Meeting minutes are actually a part of "the minutes" and should be attached as a permanent record.

Director Dean stated that the last sentence of the second paragraph of Item 4 should be corrected to read "staff needs to address Auditor's suggestions".

After a request for public comment, none being given, upon motion by Director Dean and second by VP Hill, the Board approved the minutes for August 26, 2009, 5-0, as corrected.

Reports

a. Commander Brian Hascall, Sheriff's South Station

Commander Hascall reported that there has been a recent increase in theft in Oceano and reminded all residents to keep valuable items out of sight and their doors locked.

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b. <u>August, 2009 Report - Fire Department</u>
 Captain Leathers reported on the fire operations for August, 2009.

Fire Items

a. Weed Abatement - Appeal of Charges

IGM Walsh introduced the item and stated that the action before the Board is to confirm or deny staff's recommendation: 1) to find that the charges for APN 62-050-23 in the amount of \$108.00 were assessed in error; and 2) to provide direction to staff to remove the charges from that property. Director Lucey stated her understanding that the Board was concerned that the appeal was never presented in open session.

VP Hill agreed with Director Lucey and stated that the appeals policy should be applied consistently. Director Dean agreed and stated that all appeals should be brought before the Board and addressed in open session.

Therefore, after a request for public comment, (none being given), upon motion by VP Hill, second by Director Dean, and on the following roll call, to wit:

AYES: VP Hill, Director Dean, Director Dahl, Director Lucey,

President Mann

NOES: None

ABSENT: None

ABSTAIN: None

The Board approved staff's recommendation to find that the charges were assessed in error.

8. Utility Items

a. <u>Cleaning and Inspection of District Sewer and Water Lines</u> President Mann presented the item.

Therefore, after a request for public comment, (none being given), upon motion by Director Dean, second by VP Hill, and on the following roll call, to wit:

AYES: Director Dean, VP Hill, Director Dahl, Director Lucey,

President Mann

NOES: None

ABSENT: None

ABSTAIN: None

The Board approved the Continuance of the Declaration of Emergency, 5-0.

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8. Utility Items

- b. Draft Water Master Plan
- c. Draft Sewer Technical Memo
- d. Status Update on Water and Sewer Rate Study

Steve Tanaka, with the Wallace Group, addressed the Board regarding the status of the Draft Water Master Plan and Draft Sewer Technical Memo, and provided a status update on the water and sewer rate studies. Please **see attached Power Point documents.**

VP Hill stated his concern that the customers' ability to pay was not included in the report that as presented. In answer to Director Lucey's question, DCE Tanaka stated that District water quality meets or exceeds State standards for drinking water and is completely safe to drink.

Nina Grabiel, Oceano resident, addressed the Board regarding the District's current rate structure.

Rick Searcy, Oceano resident and past Board member, stated that the SSLOCSD has built a reserve fund over the past several years and suggested that OCSD consider ways to trim expenses before raising water and sewer rates.

Dave Angello, Oceano resident and past Board member, addressed the Board regarding Mr. Tanaka's presentation of the Water Master Plan.

In response to Director Dean's questions, DCE Tanaka estimated that the Rate Study should be available for review within 60 to 90 days of receipt of all required information.

e. Review and Possible Action on Prop 218 Procedures

IGM Walsh presented the item and recommended that the Board consider amending for our use the Proposition 218 guidelines as created and used by the Cambria CSD (see attached). He stated the Board and staff need to begin forming the Prop 218 procedure as soon as possible. Director Lucey stated her feeling that the example was not reflective of Oceano but that it would be a good outline in the formation of an Oceano-specific procedure.

VP Hill expressed his support for sending the Prop 218 procedure to the Finance Committee as recommended by staff.

Rick Searcy, Oceano resident and past Board Member, reminded the Board of the reasons Prop 218 was enacted.

After a request for public comment, none being given, upon motion by Director Dean and second by Director Dahl, the consideration of the Prop 218 guidelines will be referred to the Finance Committee, 5-0.

President Mann announced a recess at 8:38 pm.

President Mann reconvened the meeting at 8:45 pm.

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f. Review of Current Tracts and Developments Projects and Staff Recommendations

(1) NICHOLSON: OCSD Proj # 6419
2441 Ocean St: Addition to SFR (Will Serve and Fire Safety)

(2) BRIENO: OCSD Proj # 6415 2321 Cienaga: Addition to SFR (Fee Letter)

(3) <u>HIRSCH: OCSD Proj # 6703</u>
17th and Ocean Streets: Commercial units (Fee Letter)

(4) DACEY: OCSD Proj # 6260.01 and 6260.02

Grell Lane: Two new SFRs (Fee letters; clarification of Fire Dept requirements)

(5) COKER ELLSWORTH: OCSD Proj # 6702
So. Halcyon Rd.: 7 Residential Units + mini storage (Will Serve)

President Mann presented the items. Director Dean expressed her concerns regarding the Fire Department's ability to review all projects before they come before the Board and stated the letters presented should be approved.

Director Lucey stated her concern with the District using DLC hours for the Codification. Director Dean stated the DLC will not be involved in this process, that it will be handled at the Board level.

Therefore, after a request for public comment, (none being given), upon motion by Director Dean, second by VP Hill, and on the following roll call, to wit:

AYES: Director Dean, VP Hill, Director Dahl, Director Lucey,

President Mann

NOES: None

ABSENT: None

ABSTAIN: None

The Board approved the Will-Serve and Fee letters as presented, 5-0.

9. Administrative Items

a. Appointment of Liaison with Auditor

IGM Walsh presented the item and recommended that the Board appoint a Board Member as liaison to the Auditor for FYs 2007-08 and 2008-09 Audits.

VP Hill volunteered for to act as liaison since he has prior communication with the Auditor. Director Lucey stated her feeling that the appointment of a liaison is unnecessary and that the General Manager should be held responsible as it is his job. Director Dean expressed her support for the idea because the District is in a transition period with a new GM to be hired soon.

Wednesday September 9, 2009 Oceano

9. Administrative Items

a. Appointment of Liaison with Auditor (Continued)

Therefore, after a request for public comment, (none being given), upon motion by Director Dahl, second by Director Dean, and on the following roll call, to wit:

AYES: Director Dahl, Director Dean, VP Hill, President Mann

NOES: Director Lucey

ABSENT: None

ABSTAIN: None

The Board appointed VP Hill as the liaison with the auditor.

b. Resolution 2009–11, Adopting an Interim 2009-2010 Budget IGM Walsh presented the item and asked the Board to consider Resolution 2009-11, a Resolution Adopting an Interim Budget for the Period September 10, through September 24, of the Fiscal Year 2009-2010.

VP Hill stated that the warrants presented with the Board packet exceeded the amount authorized at the previous meeting by \$20,000. VP Hill gave a presentation to the Board and his suggested solution(s) to OCSD's deficit. Director Lucey agreed with VP Hill that no Board or staff members have presented any ideas, suggestions, or solutions for the apparent financial deficit. In answer to Director Lucey's question regarding the disposition of the balance of the District's (now closed) sweep account, AA Davis stated that the account was closed at Board Direction when it was learned the sweep portion was not FDIC insured. That balance was then transferred to the District's operating account.

President Mann stated her feeling that the new GM should be responsible for any reorganization District staff.

Nina Grabiel, Oceano resident, commented on various District staff members.

Lin Hill, Oceano resident, stated her feeling that the Board is being fiscally abusive by continuing operations without a budget. Director Dahl stated that he could not support a plan to restructure District staff without knowing all the ramifications involved in making this decision.

Director Dean moved to continue the meeting past 10:00 pm at 9:59pm and the Board unanimously agreed.

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b. Interim Funding for the Period September 10, through September 24, 2009, while Budget for 2009-10 is in Progress (Continued)

Therefore, after a request for public comment, (none being given), upon motion by VP Hill, second by Director Lucey, and on the following roll call, to wit:

AYES: VP Hill, Director Lucey

NOES: Director Dahl, Director Dean, President Mann

ABSENT: None

ABSTAIN: None

The motion to approve the Resolution as amended by VP Hill failed on a 3-2 vote.

Director Dahl asked if the \$20,000 that the Board did not approve would have to be included in the next round of warrants. IGM Walsh stated that \$85,000 be approved for salary and benefits; \$69,400 being approved for operations and maintenance.

Dave Angello, Oceano resident, stated the Board needs to change the way the District is currently operating.

VP Hill made a motion to continue the meeting past 10:30 pm at 10:29 pm and the Board unanimously agreed.

Lin Hill, Oceano resident, stated her feeling that certain Board members should resign.

Therefore, after a request for public comment, (none being given), upon motion by Director Dean, second by Director Dahl, and on the following roll call, to wit:

AYES: Director Dean, Director Dahl, President Mann

NOES: VP Hill, Director Lucey

ABSENT: None

ABSTAIN: None

The Board approved Resolution 2009–11, Adopting an Interim 2009-2010 Budget for the Period September 10 through September 24, 2009, while Budget for 2009-10 is in Progress, 3-2.

President Mann announced a recess at 10:34 pm.

VP Hill reconvened the meeting at 10:42 pm.

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DLC Fothergill announced that President Mann, Director Dahl and Director Dean had left the meeting during the recess.

VP Hill stated that, since the majority of the Board has departed, final public comment would be accepted before adjournment.

Rick Searcy, Dave Angello, and Lin Hill, Oceano residents, made general comments regarding the actions of the three directors who had left the meeting before it was adjourned.

- c. <u>Lay-off Procedure</u> **Item Tabled.**
- d. Submit Ballot to CSDA Re: "Seat A" Election Item Tabled.
- e. <u>Discussion and Possible Action Re: Mainframe Computer</u> **Item Tabled.**
- f. Old Business No Status Change/No Report
 - (1) <u>Drainage Issues</u> Item Tabled.
 - (2) Review of Codification Sections Item Tabled.
 - (3) 2008-09 District Goals Item Tabled.
- Reports of District Representatives
 - a. PRESIDENT BARBARA MANN Item Tabled.
 - b. <u>VICE PRESIDENT JIM HILL</u> **Item Tabled.**
 - c. <u>DIRECTOR VERN DAHL</u> Item Tabled.
 - d. <u>DIRECTOR PAMELA DEAN</u>
 Item Tabled.
 - e. <u>DIRECTOR MARY LUCEY</u> Item Tabled.

Wednesday

Oceano

11. ADJOURN TO CLOSED SESSION

a. PUBLIC EMPLOYMENT

CLOSED SESSION – A closed session pursuant to Government Code Section 54957(B)(1) to consider the appointment or employment of a public employee. The position under consideration is the General Manager.

Item Tabled.

b. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

CLOSED SESSION – A closed session pursuant to Government Code Section 54956.9(b) to meet with agency's legal counsel concerning pending litigation. (Santa Maria Groundwater Litigation, Santa Clara County, Lead Case # CV 770214) **Item Tabled.**

c. PUBLIC EMPLOYMENT

CLOSED SESSION – A closed session pursuant to Government Code Section 54957(B)(1) to evaluate the performance of an employee. The position under consideration is the Interim General Manager.

Item Tabled.

12. Interim General Manager Items/Discussion

- a. Sewer Rehabilitation Project
 - Item Tabled.
- b. FYE 063010 Budget
 - Item Tabled.
- c. Other
- 13. <u>Board Member Discussion</u>

Item Tabled.

14. Consideration of Warrants

Item Tabled.

VP Hill adjourned the meeting at 10:48 pm.

Kevin D. Walsh, Board Secretary



RESOLUTION 14-2009 APRIL 23, 2009

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMBRIA COMMUNITY SERVICES DISTRICT
ADOPTING GUIDELINES FOR THE SUBMISSION AND TABULATION OF
PROTESTS IN CONNECTION WITH RATE HEARINGS
CONDUCTED PURSUANT TO ARTICLE XIIID, SECTION 6,
OF THE CALIFORNIA CONSTITUTION,
AND RELATED NOTICING

WHEREAS, Article XIIID, Section 6 of the California Constitution requires the Board of Directors of the Cambria Community Services District (CCSD) to consider written protests to certain proposed increases to utility charges; and

WHEREAS, this constitutional provision does not offer specific guidance as to who is allowed to submit protests, how written protests are to be submitted, or how the CCSD is to tabulate the protests; and

WHEREAS, for purposes of determining protests, Government Code Section 53755(b) provides for one written protest per parcel, and Government Code Section 53750(g) provides that identified parcels are those parcels that an agency has identified as a parcel upon which a proposed fee or charge is to be imposed; and

WHEREAS, to implement these provisions, and given the history of subdivision and development in Cambria, where the CCSD serves customers owning Assessor Parcel Numbers (APN) with more than one lot and the CCSD also serves customers with more than one APN, the attached Guidelines provide that a majority protest is to be determined based upon the number of parcels with active accounts served by the CCSD on the date of the public hearing, and defines "parcel" as a piece of land or property identified by Assessor's Parcel Number that is served by the CCSD, the owner or occupant of which is subject to the proposed charge; and

WHEREAS, the Board of Directors of the CCSD may direct the General Manager to mail notice of proposed water charges and proposed wastewater charges, effective July 1, 2009, to each record owner and record customer of every parcel served by the CCSD, scheduling the rates protest hearings for Monday, June 15, 2009, at 12:30 p.m., at Cambria Veterans Memorial Building, at 1000 Main Street, in Cambria, CA; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the CCSD hereby adopts the Guidelines for the Submission and Tabulation of Protests attached hereto as Exhibit "A" and incorporated herein by reference.

Attachment "A"

CAMBRIA COMMUNITY SERVICES DISTRICT

GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS

Where notice of a public hearing with respect to the adoption or increase of a utility charge has been given by the CCSD pursuant to Article XIIID, Section 6(a) of the California Constitution, the following guidelines shall apply.

DEFINITIONS

Unless the context plainly indicates another meaning was intended, the following definitions shall apply in construction of these Guidelines:

- "Parcel" means a piece of land or property identified by Assessor's Parcel Number (APN) that is served by the CCSD, as determined by the San Luis Oblspo County Tax Assessor.
- "Record customer" and "customer of record" mean the person or persons whose name or names appear on the CCSD's records as the person who has contracted for, and is obligated to pay for, utility services to a particular utility account.
- "Record owner" or "parcel owner" means the person or persons whose name or names appear on the San Luis Obispo County Tax Assessor's latest equalized assessment roll as the owner of a parcel.
- 4. A "fee protest proceeding" is not an election, but the District Clerk will maintain the confidentiality of protests as provided below and will maintain the confidentiality and integrity of protests at all times.
- "Public hearing" means the public hearing on the proposed charges.

NOTICE OF PROPOSED RATES AND PUBLIC HEARING

- 6. Notice Delivery.
 - A. The CCSD shall give notice of proposed charges and public hearing on the proposed charges via 1st-class U.S. mail to all record owners and customers of record served by the CCSD, effective the date the notice is approved by the Board of Directors.
 - B. The CCSD will mail each notice subject to a request that the U.S. Postal Service provide forwarding address information to the CCSD for any notices forwarded by the U.S. Postal Service.

- Mail to the CCSD, Attention: District Clerk, Post Office Box 65, Cambria, CA 93428, or
- Personally submitting the protest at the public hearing.
- B. Protests must be received by the end of the public hearing, including those mailed to the CCSD. No postmarks will be accepted; therefore, any protest not actually received by the close of the public hearing, whether or not mailed prior to the public hearing, shall not be counted.
- C. In order to reduce duplicate protests and to avoid fraud, a protest may only be submitted by the record owner or customer of record who signed the protest or an individual authorized in writing by the record owner or customer of record to submit the protest. That written authorization shall be provided to the District Clerk so the District Clerk may accept a protest from someone other than the person who signed it.
- D. Designated trustees, legal guardians, probate estate executors or administrators, court-appointed or other legal representatives, or property managers/agents of a record owner or a record customer may sign a protest on behalf of a record owner or a record customer. Anyone other than the record owner or record customer's designee shall provide the District Clerk with the written authorization to act in such capacity.
- E. Emailed protests shall not be counted. Only protests with original signatures shall be counted.
- F. Copied protests shall not be counted. Only protests with original signatures shall be counted.
- G. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest, the CCSD Board of Directors welcomes input from the community during the public hearing on the proposed charges.

9. Protest Withdrawal.

Any person who submits a protest may withdraw it by submitting to the District Clerk a signed written request that the protest be withdrawn. The withdrawal of a protest shall identify the affected parcel and the name of the record owner or customer of record who submitted both the protest and the request that it be withdrawn.

10. Multiple Record Owners or Customers of Record.

- A. Each record owner or customer of record of a parcel served by the CCSD may submit a protest. This includes, but is not limited to, instances where:
 - A parcel is owned by more than a single record owner or more than one name appears on the CCSD's records as the customer of record for the parcel, or
 - (ii) A customer of record is not the record owner, or

- retained protest might change it, the Protest Official will mail a notice to the record owner or customer of record requesting they contact the Protest Official within five (5) business days to verify their signature.
- E. The protest was altered in a way that raises a fair question as to whether the protest actually expresses the intent of a record owner or a customer of record to protest the charges.
- F. The protest was emailed or copied.
- G. The protest was not received by the District Clerk before the close of the public hearing on the proposed charges.
- H. A request to withdraw the protest was received prior to the close of the public hearing on the proposed charges.
- I. The Protest Official's decision that a protest is not valid shall constitute a final administrative action of the CCSD.

14. Majority Protest.

- A. A majority protest exists if protests are timely submitted and not withdrawn by the record owners of, or customers of record with respect to, a majority (50% plus one) of the parcels subject to the proposed charge.
- B. The number of parcels with active customer accounts served by the CCSD on the date of the public hearing shall control in determining whether a majority protest exists.
- C. The CCSD will inform the public of the number of parcels served by the CCSD when the notice of proposed charges is mailed.

15. Tabulation of Protests.

At the conclusion of the public hearing, the Protest Official shall tabulate all protests received, including those received during the public hearing, and shall report the results of the tabulation to the CCSD Board of Directors.

16. Report of Tabulation.

If at the conclusion of the public hearing the Protest Official determines that he or she will require additional time to tabulate the protests, he or she shall so advise the CCSD Board of Directors, which may continue the meeting to allow the tabulation to be completed on another day or days. If so, the CCSD Board shall declare the time and place of tabulation, which shall be conducted in a place where interested members of the public may observe the tabulation, and the Board shall declare the time at which the meeting shall be resumed to receive and act on the tabulation report of the Protest Official.

NOTICE OF PROPOSED WATER AND SEWER RATE INCREASES

April 24, 2009

DIRECTORS:

Dear Record Owner or Customer of Record:

Gregory Sanders
President

Peter Chaldecott Vice President

Muril Clift Director

Frank DeMiceo

Allan MacKinnon

This notice is intended to inform you that the Cambria Community Services District (CCSD) will hold public hearings regarding proposed increases to utility charges for customers receiving CCSD water and wastewater (sewer) services. The proposed water and sewer rate increases will be considered by the CCSD Board of Directors at the date, time, and location specified below. If you would like to receive this notice in Spanish, please contact the CCSD at (805) 927-6223. Si le gustaria recibir este document en Español, por favor llame a CCSD (805) 927-6223.

Consistent with the requirements of Proposition 218, this notice also provides you with the following information:

OFFICERS:

Tammy Rudock General Manager

Tim Carmel
District Counsel

Kathy Choate District Clerk

- The amount of the proposed increases to water and sewer charges;
- The basis upon which the amount of the proposed increases to water and sewer charges was calculated; and
- How to protest the proposed increases to water and sewer charges.

NOTICE OF PUBLIC HEARINGS

Public Hearings for the proposed increases to Water and Sewer Charges will be held on:

Date:

Monday, June 15, 2009

Time:

12:30 p.m.

Place:

Cambria Veterans Memorial Bldg., 1000 Main St., Cambria, CA

This notice has been sent to all record owners and customers of record that are directly responsible for payment of CCSD water and sewer charges. If adopted by the CCSD Board of Directors, the proposed increases to water and sewer charges would become effective July 1, 2009.

PROPOSED WATER AND SEWER RATE INCREASES

Increases to the bi-monthly base rate and per unit (ccf¹) rate for water and sewer services are proposed for all customer classifications (Residential and Commercial) as follows:

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A unit equals one ccf "hundred cubic feet;" a hundred cubic feet of water is 748 gallons.

BASIS FOR THE PROPOSED WATER AND SEWER RATE INCREASES

The proposed increases to water and sewer rates are necessary for the CCSD to continue to provide safe and reliable water and sewer services to the citizens of Cambria due to increasing operational, maintenance, and repair costs. Several factors have contributed to increasing costs, including, but not limited to, rehabilitation and replacement of water and sewer infrastructure and facilities, adequate revenues to cover operational expenditures, including existing debt service payments, the rising cost of electricity, natural gas, and other commodities necessary to operate water and sewer facilities, increased costs associated with operation of utility vehicles, pumps, generators, and motors, ongoing maintenance of infrastructure, increased labor costs, and increased costs associated with meeting more stringent State and Federal regulations.

WRITTEN PROTEST

Pursuant to Proposition 218, you may express support for or opposition to any or all of the proposed increases to water and sewer charges, prior to the close of the public hearings referenced above. A form is attached.

A written protest must contain:

- A statement that it is a protest against the proposed charge which is the subject of the hearing;
 and
- 2. Name of the record owner or customer of record; and
- 3. Identity of the affected parcel by Assessor's Parcel Number (APN) or service address; and
- Original signature of the record owner or customer of record with respect to the identified parcel.

Written protests must be submitted to the District Clerk by:

- Delivery to the District Clerk's Office 1316 Tamson Drive, Suite 201, Cambria, CA 93428;
- Mail to the CCSD, Attention: District Clerk, Post Office Box 65, Cambria, CA 93428; or
- Personally submitting the protests at the public hearing.

A protest may only be submitted by the record owner or customer of record who signed the protest or an individual authorized in writing by the record owner or customer of record to submit the protest. That written authorization shall be provided to the District Clerk so the District Clerk may accept a protest from someone other than the person who signed it.

QUESTIONS?

Please review the CCSD website at www.cambriacsd.org for further information on the approved DRAFT CCSD FY 2009/2010 Operating Budget and adopted CCSD Resolution 14-2009 including Guidelines for the Submission and Tabulation of Protests in Connection With Rate Hearings Conducted Pursuant to Article XIIID, Section 6, of the California Constitution, and Related Noticing. Additional information may also be obtained by contacting the CCSD at (805) 927-6223 or via email to the District Clerk: kchoate@cambriacsd.org.