

CAMBRIA COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, OCTOBER 25, 2012, 12:30 PM

AGENDA ITEM	DISCUSSION OR ACTION										
1A. CALL TO ORDER	President MacKinnon called the regular meeting to order at 12:35 PM.										
1B. PLEDGE OF ALLEGIANCE	President MacKinnon led the pledge of allegiance.										
1C. ESTABLISHMENT OF QUORUM	<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">President MacKinnon</td> <td style="text-align: right;">Present</td> </tr> <tr> <td>Vice President Thompson</td> <td style="text-align: right;">Present</td> </tr> <tr> <td>Director Bahringer</td> <td style="text-align: right;">Present</td> </tr> <tr> <td>Director Clift</td> <td style="text-align: right;">Present</td> </tr> <tr> <td>Director Robinette</td> <td style="text-align: right;">Present</td> </tr> </table> <p>Staff Present: General Manager Jerry Gruber, District Counsel Tim Carmel, District Engineer Bob Gresens, Finance Manager Alleyne LaBossiere, District Clerk Kathy Choate, Administrative Services Officer Monique Madrid.</p>	President MacKinnon	Present	Vice President Thompson	Present	Director Bahringer	Present	Director Clift	Present	Director Robinette	Present
President MacKinnon	Present										
Vice President Thompson	Present										
Director Bahringer	Present										
Director Clift	Present										
Director Robinette	Present										
1D. REPORT FROM CLOSED SESSION	District Counsel reported no report.										
2. SPECIAL REPORTS											
A. Sheriff's Department Report	Commander Nefores reported the SLO County Sheriff's Department received 285 calls for service; of that 60 EMS related for fire department and ambulance for Cambria.										
3. ACKNOWLEDGEMENTS/PRESENTATIONS	None										
4. PUBLIC COMMENT	<p><u>Ron Bates</u>, Cambria. Thanked Board for their efforts in moving forward to solve Cambria's water problems and for revisiting visibility of the rigid moratorium. The tiniest percentage of growth gives hope to people who have waited so long to see progress towards the realization of their dream of a home in Cambria. If there was a way to receive input from everyone on the tax rolls, he believes we would see overwhelming support for moving forward. All property owners pay taxes and fees every year to support the town's services. Could a brief survey be included with tax bills asking for input from all taxpayers regarding the Board's proposed plans?</p> <p><u>Lois Scott</u>, Cambria. Commented on water usage and partnership with customers and staff when high usage occurs. Her normal water bill is 6 units per billing period. A recent water softener and electrical problem caused 37.5 units of water in two and a half weeks to be used. A plumber also fixed a small leak they had. She believed the new meters installed provided staff notifying customers</p>										

	<p>of high usage. Requests something be done in relationship with customer and staff with regard to notification to high users.</p> <p><u>Amanda Rice</u>, Cambria. Commented on Bay Area company that developed individual Smart Meters as an add-on to existing water meter that home owners can purchase, called AquaQ. Commented on rate stabilization fund; charge certain amount and any surplus at end of year can go back to customers as a rebate per meter. Asked if a report enumerating different types of meters and how many lots consolidated would be coming before the Board. How much water has been saved doing the retrofit program? As a result of improved technology at least 1% savings will occur and the savings over 11 years could be significant. It is 11 years ago today that an Intent to Serve letter was given out.</p>
<p>5. AGENDA REVIEW</p>	<p>Stands as published. Items 9 C and G to be heard first on Regular Business agenda.</p>
<p>6. MANAGER’S AND BOARD REPORTS</p>	
<p>A. GENERAL MANAGER’S REPORT</p>	<p>General Manager presented the reports, highlighting department activities. Board discussion followed.</p> <p>Public Comment:</p> <p><u>Amanda Rice</u>, Cambria. Commended General Manager on LAIF, although an expanded timeframe would have given a more accurate picture of LAIF.</p>
<p>B. LONG TERM WATER SUPPLY ALTERNATIVES UPDATE</p>	<p>President MacKinnon introduced the item. General Manager Gruber commented. District Engineer Bob Gresens presented the staff report. Board discussion followed regarding future WRDA appropriations, associated timelines, and flexibility for future water supply alternatives. Additionally, consideration to eliminate San Simeon CSD treated wastewater alternative from ACE EIR/EIS process based on the estimated yield of approximately 10 acre-feet vs. 83 acre feet and consideration to include review of an off-the-shelf reverse osmosis desal unit as part of ACE’s brackish water desal project review.</p> <p>Public Comment:</p> <p><u>Mary Webb</u>, Cambria. Before any decisions are made in taking items off the discussion list for long term water supply project, especially using wastewater recycling, what analysis has been done</p>

	<p>to show this has been reduced to 10 AF. What letters and communication have been exchanged between District Engineer and SSCSD engineer? What document analyzed the 80 AF? Needs to be on the table with off stream storage and all other options discussed in full during the public workshops.</p> <p><u>Mike McLaughlin</u>, Cambria. Supports an expeditious process.</p>
C. MEMBER AND COMMITTEE REPORTS	<p>Director Bahringer commented on October 2 PROS Commission meeting and discussion regarding potential development of East Ranch. When the County Planning Commission approved the plan it was recommended CCSD receive public input on future development. Invite public comment on development of East Ranch and focus on the Dog Park as a priority. Director Robinette commented on Dog Park and PROS plans to establish priorities for development of the community park. Proposed PROS and FFRP to do outreach to include community representation and work on this project as a partnership.</p>
7. CONSENT AGENDA	
<p>A. Approve expenditures for month of September 2012</p> <p>B. Approve minutes of Board of Directors September 27, 2012 regular meeting</p> <p>C. Adopt Resolution 62-2012 approving a two-year lease extension with Cambria Village Square Shopping Center for the CCSD Administrative offices for the period of November 1, 2012 through October 31, 2014</p> <p>D. Adopt Resolution 63-2012 providing assurances regarding Veterans Memorial Flag and Garden</p>	<p>President MacKinnon introduced consent agenda. Director Clift moved approval of consent agenda. Director Bahringer seconded. Motion carried unanimously.</p> <p>Ayes – 5, No – 0, Absent – 0</p> <p>Public Comment:</p> <p><u>Jerry McKinnon</u>, Cambria. Commented on concern of taxpayer property taxes; specifically facilities and resources. Recognized good condition of Veterans Building and current understaffing to maintain the facilities; including Ranch erosion control, Skateboard Park and flag/banner poles for street lighting that are all expenses for the public good.</p> <p><u>Amanda Rice</u>, Cambria. Posed question regarding lease. Agrees with two-year lease. Not included in lease is common area maintenance which raises total amount up by \$200 per month.</p>
8. HEARINGS AND APPEALS	None
9. REGULAR BUSINESS	
A. Discussion and Consideration of 2012 End-of-Year Budget Report	<p>President Mackinnon Introduced The Item. General Manager Gruber Presented The Staff Report.</p> <p>President MacKinnon introduced the item. General</p>

	<p>Manager Gruber presented the staff report. Board discussion followed. Director Clift moved to receive and file. Director Robinette seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0</p>
<p>B. Adopt Resolution 60-2012 authorizing the execution and delivery of an Installment Sale Agreement, and authorizing and directing certain actions in connection with the acquisition of vehicles and a copier</p>	<p>President MacKinnon introduced the item. General Manager Gruber presented the staff report. Board discussion followed. Director Robinette moved to adopt Resolution 60-2012 authorizing the execution and delivery of an installment sale agreement, and authorizing and directing certain actions in connection with the acquisition of vehicles and a copier. Director Thompson seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent - 0</p>
<p>C. Adopt Resolution 58-2012 Approving PROS Commission recommendation for appointment of Adolph Atencio to the Parks, Recreation, and Open Space Commission</p>	<p>President MacKinnon introduced the item. General Manager Gruber presented the staff report. Board discussion followed and all applicants were thanked and encouraged to stay active with PROS. Director Bahringer moved to adopt Resolution 58-2012 approving PROS recommendation for appointment of Adolph Atencio to the Parks, Recreation, and Open Space (PROS) Commissioner. Director Robinette seconded. Ayes – 5, No – 0, Absent – 0 Public Comment: Adolph Atencio thanked the Board and is looking forward to participating in the development of a recreational site for the community and will work to stay informed and hope that what is suggested is appropriate and able to move forward.</p>
<p>D. Adopt Resolution 61-2012 modifying the CCSD Retrofit Program by suspending the ability to pay in-lieu fees</p>	<p>General Manager Gruber introduced the item. District Counsel Carmel presented the staff report. General Manager Gruber has tasked Staff to reconcile and an internal audit of Points Bank. Board discussion followed. Them? Director Bahringer moved to adopt Resolution 61-2012 modifying the CCSD Retrofit Program to authorize the General Manager to suspend the ability to pay in-lieu fees with counsel edits to modify fourth recital to read; CCSD staff has determined that the Point Bank may at times have an insufficient supply of points to satisfy the demand created by the payment and acceptance of in-lieu fees; and continue on with fifth recital. Director Clift seconded. Motion carried unanimously.</p>

	<p>Ayes – 5, No – 0, Absent – 0 Public Comment: <u>Mary Webb</u>, Cambria. Commented on power associated with giving out water meters and please with General Manager doing an audit of retrofit points. In order to have check and balance off CCSD office, this process needs to be more transparent and placed on CCSD website. Eliminate water meter shell game and secondary market for meter transactions. What is measurement of a point? Before releasing meters to wait list people, we need to resolve those pipeline projects.</p>
<p>E. Adopt Resolution 56-2012 authorizing a revision to fire flow hydraulic modeling for residential areas</p>	<p>General Manager Gruber introduced the report and provided a brief background. District Engineer Gresens presented the staff report citing Chief Miller’s October 15 2012 letter recommending 1,500 gpm with two hour duration which would meet or exceed requirements of the National Fire Protection Association and the California Fire Code and would lower future capital project costs. Public comment: <u>Mike McLaughlin</u>, Cambria. Commented with his father’s expression, you don’t step over a dollar to save a dime. By altering plans would it save money? Would infrastructure have to be repaired if continuing to pump? Supports fire safety given the surrounding forest. Are we jeopardizing safety? <u>Mary Webb</u>, Cambria. Happy to see this, she wrote fifteen pages of comments on Rodeo Grounds project and felt pipelines were so exaggerated; it would have blown out Cambria pipelines, based on desalination plant that was going to provide 602 acre feet of water. Suggested looking at map again and move the facility out of the flood plain. Director Bahringer moved to adopt Resolution 56-2012 revising fire flow hydraulic modeling criteria. Director Robinette seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0</p>
<p>F. Adopt Resolution 57-2012 approving RBF Consulting, Inc. contract amendment No. 2</p>	<p>General Manager Gruber turned this item over to District Engineer Gresens who introduced and presented the staff report. Board discussion followed regarding contract amendment and requested a timeline of the Rodeo Grounds Pumping Station Replacement Project be provided to the Board.</p>

	<p>Director Bahringer moved to adopt Resolution 57-2012 approving RBF Consulting, Inc. contract amendment No. 2. Director Thompson seconded. Motion Carried. Ayes – 4, No – 1 (Clift), Absent – 0</p>
<p>G. Discussion and Consideration regarding Central Coastal California Seismic Imaging Project (CCCSIP) comment letter, San Luis Obispo County</p>	<p>President MacKinnon presented the item. Public Comment: <u>Jim Webb</u>, Cambria. Requested CCSD Board to consider joining neighboring communities and Board of Supervisors in opposing this project as is currently formulated being heard by Coastal Commission during its November 14 – 16 meeting. Quoted Supervisor Gibson as saying, “I see no reason for high energy work this year.” Also suggesting PG&E needs to rethink the high energy project and does not support the current project in front of the California Coastal Commission. There are still unanswered questions and they have not exhausted all less invasive procedures to answer those concerns. An example is the NRC (National Regulatory Commission) recently opined that one area of imaging which was Box 3 which was focused on the Shoreline Fault; they said that that aspect of the project was no longer necessary, that they had enough information to not need this type of high energy surveying. This project has changed in real time going forward. The problems with this project are the significant, unavoidable negative impacts to marine life along our coast; the project design itself has been influx and needs to be finely established for agencies to know what is being proposed. AB1632 does not require this project by the NRC or the California Energy Commission. There are other ways to meet with the law is requiring besides this particular project. Complimented the General Manager on fiscal responsibility that is being demonstrated. Board discussion followed. Director Clift moved to authorize the General Manager to write a letter to California Coastal Commission with a copy to the County Board of Supervisors expressing opposition to the testing at this time and reference Morro Bay and San Simeon’s opposition also. Director Robinette seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent - 0</p>
<p>H. Adopt Resolution 54-2012 ratifying Memorandum of Understanding</p>	<p>Director Robinette stepped out at 3:30 PM President MacKinnon introduced the item and</p>

<p>(MOU) between CCSD and Service Employees International Union (SEIU) Local 620</p>	<p>received public comment on Items H, I, and J.</p> <p>Public Comment:</p> <p><u>Mike McLaughlin</u>, Cambria. Assumes contract was ratified with SEIU employees? They modified their pension benefit levels? Employees have stepped forward and recognized we are in different economic times and have adjusted their benefit level. IAFF firefighter contract is not resolved? How can you change the 3% at 55 if they have not settled their contract? Throughout his career he witnessed unfunded benefits and is hopeful this will redirect and is a step in the right direction.</p> <p>Director Robinette returned 3:40 PM.</p> <p><u>Jerry McKinnon</u>, Cambria. Speaking from this side of table and will muddy the waters if hear all three items together. Retirees are concerned with benefits to be received under the MOU. If you throw in other two items with our position at the same time, our position may get lost in the shuffle. Retirees wish to make very clear how retirees stand with regard to the health issue. Requested item H be heard on its own.</p> <p><u>Curt Hatton</u>, Retiree. Served 19 years with CCSD starting in 1986 and retiring in 2004. Asked board if they received Art Montandon's letter? When CCSD formed in 1976 all employees knew they had health coverage upon retirement. When offered the firefighter position in December 1985 he met with General Manager John Stratford and Chief Griffin to review the wages and benefits he would receive. He took a pay cut in pay taking the position, but it was pointed out to him at that time, he would have 100% health care coverage in retirement. That year, he took a \$16,000 cut in pay when he left the city of Corona to move here and over the 20 years he worked for CCSD that difference in pay only grew. In retirement today, the cut is still costing him since salaries were much higher in Southern California. He realizes it was his choice to move up here, but it was implied he had healthcare in retirement and also written in the MOU for fire, section 24B. Applauded Board where they are going with this, thinks there needs to be a change, 3% at 50 was very generous. A change may be needed in this regard and has no problem with that or with a firefighter paying their share of the retirement plan. While a change is needed with regard to health care for its employees and its</p>
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retirees as it is occurring nationwide, however CCSD should honor its commitment to their current retirees. If the current work force agrees to the negotiation process to pay a larger portion of their healthcare and they retire under that MOU that is the level or tier they should receive upon retirement. When CCSD hires a new employee they may not have healthcare coverage in retirement or a minimal amount but that is a policy that is set through their negotiation process. The difference is they should be informed at the time they are hired and then they will have years to plan and save to pay for those premiums. The current unions do not represent any of the retirees. We do not benefit when benefits are given nor should they be taken away from us. If the benefits are given up it is incumbent upon the retirees to protect our rights under the MOU which we retired under. Currently, there are approximately 32 retirees receiving the benefit and 17 are receiving Medicare and CCSD insurance as a supplement. The remaining are under the age of 65, so each year spouses and employees are passing on and dropping off this benefit. At the age of 65 the benefit cost drops in half from the current rate of \$550/month to \$262/month. There is considerable savings once an employee reaches the age of 65. Commented on information received from CCSD stating retirees have no representation during negotiations and CCSD agrees with this statement. The CCSD has an MOU with each of the represented labor groups and has been since organized in 1987. In each MOU retirees' health care premiums are identified. The benefit language states; the District premium payments apply to retirees and their dependents as applied to active employees and their dependents. This language can be located in SEIU MOU Section 30A and IAFF Section 24. The CCSD a continued practice of applying these to retirees and their dependents as applied to active employees and their dependents; however CCSD quoted 29A of Fire MOU and 30A of SEIU MOU, but neglected to put in second paragraph that states in the event that legislation is passed allowing for local PERS agencies to reduce contributions for retiree health insurance coverage, all employees retiring after the effective

date of such legislation shall be provided health insurance coverage at the same ratio as current employees. The way he reads that, if he is working and signs the MOU and agrees to that, then when he retires that is the plan he retires under; that tier. The last paragraph in Section 29B states; Employees retiring prior to such legislation shall have insurance coverage as currently provided. Meaning, he retired before this legislation is occurring and it is the retirees' positions that we fall under that last line in that paragraph B. That is in all the MOUs that go back from the earliest one he has is late 80s or early 90s. In the MOU currently proposed under Section 30 Health Care Benefits, item B, the last paragraph it says "District premium payment applied to retirees and their dependents as applied to active employees and their dependents. For employees/retirees hired before October 1, 2012. His question to staff is, is this a typo? As he reads it, should it be for the retirees that are hired, paused, does not feel this is correct. Those hired prior to October 1, 2012, it does not apply to it. Employees hired after October 1, 2012 shall be eligible to receive retiree health contributions in an amount equal to the PERS minimum health contribution only. The yearly savings of passing on 5% to the retirees is \$1,143/month or \$13,653 per year. Commented on hiring of consultants and spoke to time he worked with Fire Chief Farino and Steve Bitto; the Board did not allocate a single dime to a consultant when Farino wrote the Fire Benefit Assessment and this year alone that assessment is bringing in over \$400,000. It was done as his senior project at Cal Poly. The staff including the volunteers at that time promoted the assessment and held at least 50 – 60 town hall meetings promoting the fire assessment. When the assessment passed it was with over 80%, about 86% community support. As of this date, it has brought in hundreds of thousands of dollars and is offended that when he came here he was told he had healthcare insurance and takes a little higher plan and willing to pay for the difference in increases, but this year alone, not only through the plan we received through PERS it says that premiums for PERS Choice and PERS Health Select Medicare Plans will decrease by 15.1% in 2013.

	<p>PERS Care Medical Plan will decrease by 14%. There are savings going around and asked the Board to honor the retirees at the 95/5 when they signed off on it; it saved the District thousands of dollars there, because most of the employees at that time were taking PERS Care plan and we dropped down to PERS Choice. Commented on other retirees and difference in their salaries as compared to today.</p> <p>General Manager Gruber introduced the item and commented on the Ad Hoc Salary and Benefit Committee (MacKinnon/DeMicco/Thompson) and added this is the direction all public agencies in California are going and thanked SEIU for giving back a little bit. Administrative Services Officer Madrid presented the staff report.</p> <p><u>Pat Clark</u>, Cambria. Submitted written comment for the record and requested the Board honor the contract as it was when they retired.</p> <p><u>Jerry McKinnon</u>, Cambria. Commented on retirement benefits, appears as though this Board is conducting itself as though boards that came before in the past you can change and does not need to honor past board actions. Since retirees are tied to active employee benefits, so far as health benefits are concerned, should the retiree, consider the word retiree be attached to every word in the MOU that says employee? Where do you draw the line? If you are able to take action on employees through the MOU contract, does that mean you can do the same to retirees? There is nothing in this section, health and dental plans, the revised cost sharing will be 90/10 split, says nothing about retirees. 2014 and 2015 CCSD employees shall each pay 50% of any increase, says nothing about retirees. It is a basic assumption you can lay the word retiree with employee anywhere in the MOU and that does not make sense. Suggested inserting a sentence, "that health benefits for current retirees shall remain the same as in the year 2012." You have saved \$13,000 and are buying new vehicles and \$13,000 is insignificant to the operation of the District. To the retirees and how they are affected; there are 32 retirees, of the 32, 21 have dependents. From a humanitarian point of view, putting \$13,000 ahead of everyday expenses for people to run their households needs consideration.</p>
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	<p><u>Curt Hatton</u>, Cambria. Commented on savings to budget and from Fire standpoint, you are pulling in from taxpayers an assessment that has been in place for over 14 years. When he started his fire service career in 1975 he made \$800 per month. He could have gone out and pounded nails and made \$1,600, so the private industry in the 70s far exceeded public sector. He does not oppose employees paying their share of insurance costs, but for those 30 years when I earned less money it was a trade off; salary vs. benefit and I know there is not a lot of sentiment out there for public employees today and supports adjustments being proposed. Wondered how Board members would react if confronted with the same situation.</p> <p>Director Bahringer moved to adopt Resolution 45-2012 ratifying Memorandum of Understanding (MOU) between Cambria Community Services District and Service Employees International Union (SEIU) Local 620. Director Clift seconded. Board discussion followed. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0</p>
<p>I. Adopt Resolution 55-2012 reporting the payment of member contributions to the California Public Employees’ retirement system</p>	<p>President MacKinnon introduced the item. General Manager Gruber deferred items I and J to Administrative Services Officer (ASO) Madrid. ASO Madrid presented the staff report. Public Comment: None</p> <p>Director Bahringer moved to adopt Resolution 55-2012 authorizing reporting the payment of member contributions to the California Public Employees’ Retirement System (CalPERS) for CCSD Service Employees International Union (SEIU) Director Clift seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0</p>
<p>J. Adopt Resolution of Intention 59-2012 to amend the CCSD contract with California Public Employees’ Retirement System (CalPERS) to provide 3% at 55 coverage for Safety Members and 2% at 60 for Miscellaneous members, both with three-year final compensation</p>	<p>President MacKinnon introduced the item. ASO Madrid presented the staff report. Director Bahringer moved to adopt Resolution 59-2012 to amend the Cambria Community Services District contract with California Public Employees’ Retirement System (CalPERS) to provide 3% at 55 coverage for Safety Members and 2% at 60 for Miscellaneous Members, both with three-year final compensation. Public Comment: <u>Curt Hatton</u>, Retiree. Reference Mike McLaughlin’s earlier comments with regard to question posed</p>

	<p>earlier regarding an agenda item adopting a resolution affecting Safety members and they have not negotiated and there is a resolution. Expressed confusion about the process. In the discussion section of the staff report, it says these retirement plan changes are a result of the recent labor negotiations with all three of the labor groups, SEIU, MCE, and IAFF. There is no signed MOU with MCE and IAFF.</p> <p>Director Bahringer moved to adopt Resolution of Intention 59-2012 to amend the Cambria Community Services District contract with California Public Employees' Retirement System (CalPERS) to provide 3% at 55 coverage for Safety Members and 2% at 60 for Miscellaneous Members, both with three-year final compensation. Director Clift seconded. Motion carried unanimously.</p> <p>Ayes – 5, No – 0, Absent – 0</p>
<p>10. FUTURE AGENDA ITEM(S)</p>	
<p>11. ADJOURN to closed session.</p>	<p>President MacKinnon adjourned the meeting to closed session at 4:25 PM</p>