

CAMBRIA COMMUNITY SERVICES DISTRICT
MINUTES OF THE REGULAR MEETING OF BOARD OF DIRECTORS
DECEMBER 14, 2009 – VETERANS MEMORIAL BUILDING

1. Call to Order: President Sanders called the meeting to order at 12:35 p.m., led the pledge of allegiance and established quorum. District Counsel Tim Carmel reported Board discussed pending litigation, labor negotiations, and initiated the General Manager's performance evaluation, but no reportable action.

Present: Directors Clift, Chaldecott, De Micco, MacKinnon and President Sanders

Absent: None

Also present: General Manager Tammy Rudock, District Counsel Tim Carmel, District Engineer Bob Gresens, and District Clerk Kathy Choate

E. Presentation by Colonel Thomas H. Magness, United States Army Corps of Engineers. President Sanders introduced the Army Corps of Engineers (ACE) Colonel Thomas Magness, Commander of Los Angeles District office US ACE, who provided a briefing on the status of the Corps' activities relative to a desal plant for the town of Cambria and Darrel Buxton, Project Manager, and Tom Keening, Senior Ecologist, Corps LA District Office. Colonel Magness provided a PowerPoint presentation on the Seawater Desalination project progress, funding, and future actions. Darrel Buxton presented financial data summary.

Public Comment:

Mike Dill, Paso Robles. Vice President of United Lot Owners of Cambria (UNLOC). Thanked the Board for moving forward with the project. Thanked Lois Capps, her office, and ACE for taking on a great project.

Mike Willis, Cambria. Supports lot reduction and is one of many Cambrians that support the desal project.

Jim Ensley, Las Vegas, NV. While there are over 600 individuals' lives put on hold, there are 3900 Cambria residents whose lives are impacted by the hold off of this plant and expressed appreciation of Board's efforts.

Jim Spencer, Pasadena. Consider global warming, drought, beetle, or too much water is being drawn out of the water table and causing the forest to die. Desalination plant will help to reverse that.

Michael Thompson, Cambria. Chamber of Commerce Director. Business community strongly supports the desal effort. Tourism is a major driver of the economy on the Central Coast and having a stable source of water is critical to that industry.

Mary Webb, Cambria. Commented on growth management mitigation and environmental laws related to desal in Cambria area. Read from Dec 14, 2009 written comments (submitted for the record) regarding Measure P.

Mahala Burton, Cambria. Commented that an alternative water supply, Whale Rock reservoir (600 AF) is available. Commented on Climate Sea Rise Policy. and submitted referenced documents for the record.

Colonel Magness responded to public comments and questions.

Lynn Harkins, Cambria. Spoke out of order in opposition to desal. Submitted "AGP Video 2 of 2 November 30, 2009 California Ocean Protection Council San Diego."

Short Break to allow Colonel Magness to depart on schedule.

Amanda Rice, Cambria. Posed questions on how long test wells run and whether growing emphasis on water resources management and regional planning of water and other ACE policies would lead to including San Simeon's community water demand into CCSD project. Not opposed if it helps offset cost and share in some of the environmental impact.

Elizabeth Bettenhausen, Cambria. Posed questions for ACE: 1) Does ACE require all subcontractors to use all of the environmental policy documents that bear upon the ACE's work? How will CCSD know what more ACE will want then the minimum 25% local match? She will put this in writing and submit to Board and ACE.

Board discussion followed with regard to life cycle costs, details of desalination process, construction costs, operating costs, cost of water on a day-to-day basis, need for complete analysis and environmental impacts.

F. Election of Officers. President Sanders called for nomination of President for 2010 calendar year. Board comment on rotation of officers followed with a different approach being suggested.

Director Cliff nominated President Sanders for another year. Director MacKinnon seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent - 0

Director MacKinnon nominated Director Chaldecott for Vice President. No second. Motion failed.

Director De Micco nominated Director Cliff for Vice President. Director Chaldecott seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent - 0

2. Public Comment:

Richard Margertson, Maxine Lewis Homeless Shelter, shared the success of Cambria's Interact Club's participation in the Needs and Wishes Fundraiser. Steve Spisak, Cambria Rotary showed the video of homeless, "Will We See Them?" to the Coast Union Interact Club. In eight weeks they raised \$1,397.19 by filling a five gallon-plus jug with donations collected in the community. Alex Scribner, Coast Union student acknowledged Miss Duarte, advisor who showed the video to past classes. The students plan to challenge one another next year.

Elizabeth Bettenhausen, Cambria. Commented on September 12, 2002 utility rates workshop and customer consumption profile.

Jeff Smith, Cambria. Opposed to reduction of field staff and expressed importance of how water and sewer departments interact with public.

Frederick Fox, Cambria. Commented on refuse ordinance section 6.08.090 and requested mandatory be eliminated and exemption broadened to include those who do not want to participate in land filling.

Amanda Rice, Cambria. Moratorium count is now 2,951 days. Requested a public hearing on Code 350 water emergency declared in 2001.

Mahala Burton, Cambria. Commented on agenda setting policy and Ms. Bettenhausen's comments regarding customer water usage; 23% of water in Cambria goes to 200 businesses

3. Agenda Review:

Item 7A pulled for separate consideration.

4. Acknowledgements/Presentation (None)

5. Special Reports

A. Sheriff's Department Report: Commander Ben Hall reported last month compared to last year nearly 300 calls for service to this year 160 calls for service. Usual domestic cases, juvenile vandalisms, drug related arrests at Palm Hotel.

6. Manager's and Board Reports

A. Manager's Report: Tammy Rudock summarized and presented the Managers' report. District Engineer Bob Gresens summarized his report and commented on desalination project, Rodeo Grounds Station Replacement and Stuart Street Tank, Moonstone Beach Connector Trail, Leimert Pumping Station, and well levels.

Public Comment:

Mary Webb, Cambria. Requested clearer comparison of brackish water desal to ocean desalination, including cost of capital improvement.

Elizabeth Bettenhausen, Cambria. Would appreciate footnotes on CCSD documentation citing resource when claim is being made.

Mahala Burton, Cambria. Questioned future cost of desal.

B. Member and Committee Reports

Director Clift, Forest Committee, reported on concern with performance from PG&E on recent tree removals. PG&E may come back to Board in an attempt for discretionary permit basis with County. Forest Committee is following this process and supports the level that would require public hearings before reliability (not emergency) removals.

Director MacKinnon, Finance Committee reported they will meet in January to discuss the budget and financing concerns.

Board discussion followed on desalination costs and technology.

District Engineer asked to be on record taking strong exception to the statement in a recently published Viewpoint article that, "he is purposely misleading the community on cost." He commented on Kennedy Jenks 2000 report and the need for an updated detailed cost analysis.

7. Consent Agenda

A. Approve expenditures for the month of November 2009

B. Approve minutes of Board of Directors meeting November 16, 2009

C. Approve processing to fill PROS Commissioner vacancies for terms expiring January 25, 2010 in accordance with Resolution 71-2005.

President Sanders introduced Consent Item 7A. Director MacKinnon requested additional information regarding Innovative Concepts \$1,000 technical support in two days. **Director MacKinnon moved approval of expenditures for month of November 2009. Director Chaldecott seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0.**

President Sanders read for the record consent items 7B and 7C.

Director De Micco moved to approve the balance of the consent agenda. Director MacKinnon seconded. Motion carried unanimously. Ayes – 5 No – 0, Absent - 0

8. Hearings and Appeals - None

9. Regular Business

A. Adopt Resolution 62-2009 acknowledging additional County requirements and approving CCSD's increased funding participation in the Voluntary Lot Merger Program. Tammy Rudock reviewed the staff report. **Director MacKinnon moved to adopt Resolution 62-2009. Motion carried unanimously. Director Chaldecott seconded. Ayes – 5, No – 0, Absent – 0**

B. Adopt Resolution 58-2009 authorizing funding from General Fund Reserves and approving the Settlement Agreement between the CCSD and Cybernet Consulting, Inc, for SCADA (Supervisory Control and Data Acquisition) Project. Tammy Rudock reviewed the staff report.

Public Comment:

Elizabeth Bettenhausen, Cambria. Commented on General Fund (GF) expenditures and questioned repayment to the General Fund by Water and Wastewater.

Jeff Hellman, Cambria. Commented on management's acumen for running technical systems, purchasing, and competitive bidding.

Board discussion followed.

Director De Micco moved to adopt Resolution 58-2009. Director MacKinnon seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0

C. Adopt Resolution 59-2009 ratifying side letter to amending Payment and Compensation Plan (Management and Confidential Employees); and Resolution 61-2009 ratifying side letters to SEIU Local 620 Memorandum of Understanding. Tammy Rudock reviewed the staff report.

Elizabeth Bettenhausen, Cambria. Thanked Local 620 SEIU for agreeing to this temporary reduction for the sake of the community. Thanked General Manager for negotiating this and how she is clear about what resources there are in terms of revenue and expenditures.

Jerry McKinnon, Cambria. Commented on contractual obligations to employees and 45% increase in property tax income to Administration. Commented on furlough programs.

Amanda Rice, Cambria. Seconded Ms. Bettenhausen in support of CCSD employees. Posed questions regarding cumulative savings of contract changes to CCSD.

Director MacKinnon moved to adopt Resolution 59 ratifying Side Letter No. 1 to amended Payment and Compensation Plan (Management and Confidential Employees) and adopt Resolution 61-2009 ratifying Side Letter Nos. 1 and 2 to SEIU Local 620 Memorandum of Understanding. Director Clift seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent - 0

10. Public Comment

Ron Crummitt, Cambria. Thought Colonel Magness' presentation was inspiring and the Colonel considers balance to control direction of desal, considering environmental and structural considerations. As BRP Chair he applauded recommendation to use funds for voluntary lot reduction.

Amanda Rice, Cambria. Commented on fire hydrant maintenance and infrastructure that feeds water to the hydrants. Cambria Climate Action group is planning cleanup day in East Village.

11. Adjourn President Sanders adjourned the meeting at 4:05 p.m. to closed session, Dining Room, Veterans Memorial Building