

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING MINUTES**  
**THURSDAY, NOVEMBER 15, 2012, 12:30 PM**

AGENDA ITEM	DISCUSSION OR ACTION
1A. <b>CALL TO ORDER</b>	President MacKinnon called the regular meeting to order at 12:36 PM.
1B. <b>PLEDGE OF ALLEGIANCE</b>	President MacKinnon led the pledge of allegiance.
1C. <b>ESTABLISHMENT OF QUORUM</b>	<p>President MacKinnon Present  Vice President Thompson Present  Director Bahringer Absent prior to 3:00 PM  Director Clift Absent  Director Robinette Present  Staff Present: General Manager Jerry Gruber,  Assistant District Counsel David Hirsch, District Engineer Bob Gresens, Administrative Services Officer Monique Madrid, District Clerk Kathy Choate.</p>
1D. <b>REPORT FROM CLOSED SESSION</b>	District Counsel Hirsch reported no report.
2. <b>SPECIAL REPORTS</b>	
A. Sheriff's Department Report	No report.
3. <b>ACKNOWLEDGEMENTS/PRESENTATIONS</b>	Richard Margetson provide a presentation for the Maxine Lewis Memorial Shelter and Transitional Food and Shelter Annual Needs 'N Wishes Holiday Fundraiser
4. <b>PUBLIC COMMENT</b>	<p><u>Tom Martin</u>, representing Cold Canyon Landfill. Cold Canyon Landfill is appealing approval of its own project, due to mitigations the Planning Commission developed. He requested the CCSD Board members contact Supervisor Gibson and exercise all their discretionary power to reduce the costs to the ratepayers of Cambria.</p> <p><u>Mahala Burton</u>, Cambria. Commented on PROS minutes and requested minutes be set out on table. Commented on dog park and paving of road, future planning for playing fields, housing being torn down at 2595 Main Street, and issuance of retrofit points being subject to equality clause, cannot discriminate.</p> <p><u>Mary Webb</u>, Cambria. Commented on California Coastal Commission recent unanimous denial of Seismic Imaging Project testing and thanked the Board for its support. CCC reiterated tests are not mandated by any agency or any law and the tests would harm the marine life. The Coastal Act has been in place for forty years.</p>

5. <b>AGENDA REVIEW</b>	Stands as published.
6. <b>MANAGER’S AND BOARD REPORTS</b>	
A. GENERAL MANAGER’S REPORT	<p>General Manager presented the reports, highlighting department activities. Board discussion followed.</p> <p><b>Public Comment:</b>  <u>Amanda Rice</u>, Cambria. Inquired as to whether there are results of hotel water audit regarding low flow devices and would like to receive the results.</p> <p><u>Elizabeth Bettenhausen</u>, Cambria. Thanked President MacKinnon for his service on the Board. Congratulated newly elected officials. Commented on her questions and emails raised since July to staff (referenced page 18 of agenda packet) and requested clarification on demand offset and how past demand offset contributions and rebates, as well as retrofits on resale are related to the policy of conservation of water. Would like to see the data on past retrofits and the \$39,500. Would like to see the EDU allocation on the four new residential construction projects listed. Two are intent to serve letters, the other two are not. On what basis did two projects get approved without Intent to Serve letters since the moratorium is not lifted? And how is that correlated with demand offset from past retrofits?  Reference page 28, ASO report; requested Exhibits B and D referenced in CCSD Code regarding existing commitments are brought before the Board in December when update is presented. Regrets to see five houses demolished and where will those five families go to live? Petitioned the Board to look at housing policy in Cambria and how utilities impact the degree and scope of housing development and maintenance.</p>
B. LONG TERM WATER SUPPLY ALTERNATIVES UPDATE	<p>President MacKinnon introduced the item. General Manager Gruber commented. District Engineer Bob Gresens presented the staff report. Board discussion followed.</p> <p><b>Public Comment:</b>  <u>Mary Webb</u>, Cambria. Commented on surface storage within Whale Rock Reservoir and the language that it is just for winter time storage of CCSD provided water. When we had the water alternatives workshop, we had an A and B; CCSD water possible going in the winter from here back</p>

	<p>to Whale Rock and B, the water exchange with Nacimiento which we have a right to of 2,300 AF or something in a year. We combined those alternatives into one generic Whale Rock alternative, but we did not eliminate our ability to purchase Nacimiento or do an exchange with SLO for Nacimiento water. Why has our rights to Nacimiento water been completely removed from the list? Without any documentation alternatives are dropping off the list and we don't have a lot of money left, so she understands why things will drop off the list, but if we do choose a water project in the end these things will not have been given the analysis they deserve and that will be unfortunate because we have looked at these alternatives for 20 years due to lack of money.</p>
<p>C. MEMBER AND COMMITTEE REPORTS</p>	
<p>7. <b>CONSENT AGENDA</b></p>	
<p>A. Approve expenditures for month of October 2012  B. Approve minutes of Board of Directors October 25, 2012 regular meeting  C. Adopt 2013 regular Board meeting schedule  D. Adopt Resolution 64-2012 approving SR4 Well Agreement with Coast Union Unified School District  E. Approve Mission Country Disposal's Prop 218 Notice of Public Hearing regarding proposed Solid Waste Rate Increase and Schedule Public Hearing for January 17, 2013 to consider Mission Country Disposal's proposed rate increase in the amount of 2.2%</p>	<p>President MacKinnon introduced consent agenda. <b>Director Robinette moved approval of consent agenda. Director Thompson seconded. Motion carried unanimously.</b>  <b>Ayes – 3, No – 0, Absent – 2 (Bahringer, Clift)</b>  <b>Public Comment:</b>  <u>Amanda Rice</u>, Cambria. Commented on minutes (pg 39) be amended to reflect 1% savings per year; expenditure report related to the rate increase in trash rates and costs associated with disposing of green waste and does CCSD pay for that? What is agreement between CCSD and Mission Country in terms of disposing of CCSD trash? Commented on meeting schedule for 2013, concerned with two directors absent and prefers at least one or two evening meetings, not all 12:30 PM.  <u>Mahala Burton</u>, Cambria. Buried in contract analysis for the high school well, is a sentence that says non-potable water will be provided to the Middle School for playing fields; not sure if this was to sweeten the lease, but every bit of non-potable water we may need for our own drinking water. The brackish water concept may turn out to be no brackish water. It may turn out to be that we have to use our water that we are pumping down to hold back the salt water intrusion, whatever is left. How much non-potable water is going to the Middle School; it's a great idea if they are going to develop the fields, we would not have to do anything at the East Ranch, but the pot of recycled</p>

	<p>water keeps getting diminished. Commented on Whale Rock alternative to store CCSD water. There have been no negotiations she knows of to find out if the owners of the reservoir want to store CCSD's water. What is in it for them? The City of SLO is paying a huge buy in for the water as it relates to the Nacimiento Project. They would like to sell some of that water to CCSD in an exchange of what is stored in Whale Rock from the creek that fills Whale Rock. The concept of taking our rainwater and storing it there doubts if that will happen.</p>
<p>8. <b>HEARINGS AND APPEALS</b></p>	<p>None</p>
<p>9. <b>REGULAR BUSINESS</b></p>	
<p>A. Discussion and consideration to not include detailed analysis of the San Simeon CSD Wastewater/Reclaimed Water Alternative within the Water Supply Project EIR/EIS</p>	<p>President MacKinnon introduced the item. General Manager Gruber turned the item over to District Engineer Gresens to present the staff report. Full Board discussion followed regarding whether to continue with detailed environmental analysis of a water supply alternative(s).</p> <p><b>Public Comment:</b>  <u>Elizabeth Bettenhausen</u>, Cambria. Attended September 18 meeting and had asked if there were conversations with San Simeon CSD and understands ACE held conversations with SSCSD in June. Before moving ahead with ACE, have data as to whether sand is shallow or on bedrock; support policy decisions with data before making decisions.  <u>Mary Webb</u>, Cambria. Is San Simeon planning on using all their recycled water to be tertiary treated and eliminating their ocean outfall?</p> <p>District Engineer Gresens responded, all but 18,000 gallons per day (gpd) might be available during the summer months; about 10 AF.</p> <p>Mary Webb, Cambria. Why is only summer water being considered?</p> <p>District Engineer Gresens responded summer months are used because it is a recycled water supply and the intent for recycled was non-potable irrigation and irrigation demands occur in the summer months.</p> <p>M. Webb. There are storage options if you tertiary treat water year round and have storage options, you have much more water than you might have in</p>

any limited supply in the summer you may have anywhere along the coast of California. The recycled water project should include Task 3 Recycle plan within the Water Master Plan. Cambria's entire water supply can be recycled and assumes entire water supply of San Simeon can be recycled and tertiary treated. She has discussed with Coastal Commission staff because she happened to be there yesterday and it is a huge carrot with not only Coastal Commission staff, but a lot of environmental organizations to eliminate polluting ocean outfalls. Part of the big problem with Cambria's desalination was installing new ocean intakes and ocean outfalls; we don't have any today. Water Quality Control Board is trying to eliminate these ocean outfalls all over the State because of the pollution factor. San Simeon has been penalized many times for their polluting outfall. The whole idea with the recycled project is we could take water, help do a biosolids dewatering or something with them and eliminate that ocean outfall which is polluting Monterey Bay Sanctuary. There would be money for that and that is a whole different line of grant money you would be looking at rather than WRDA. CCSD does not have a lot of money to give ACE to study all these things in detail anymore and it is too bad. These are the technologies of the future and the ones we should be pursuing in addition to other projects; multiple small projects could garner CCSD more acre feet of water when you put them all together.

District Engineer Gresens commented on packaged desalination systems and custom designed systems and permitting issues with regard to intake and concentrated outfall, same level of issues with Coastal Commission and regulatory agencies specific to this area. Does not know whether Coastal Commission would allow an emergency installation of such a unit along the Coastal zone.

On the recycled water, the demands were bifurcated due to CCSD's concern with habitat impact once you go beyond zero net increase and the potential diversion from the aquifer system. It is a sensitive and complicated area; trying to stay

without pulling any more water out of that mound for future demands. The demand was split; looked at current potable demands that could push to recycled water and came up with 50 AF. If CCSD goes beyond the 50 AF it would trigger serious concerns about pulling that water level down in a dry month and possibly impacting habitat. The second level was called increase in demand above the balance point. When looked at years ago, the thought was to prioritize a potable water system first. Three levels of priority; 1<sup>st</sup> Fire Safety (storage and bottlenecks in the system), 2<sup>nd</sup> Potable Water (independent water supply, at the time was desalination, that it would create more wastewater that would go through the plant and charge that mound. We had it balanced out, so the future recycled water demand would be balanced out by the future production of potable water and would be able to keep at equilibrium. That was part of the thinking at the time, as far as not going full speed ahead on recycled water and could certainly do existing demands and switch them over, but that is not producing more water, just changing the use of the water out of the aquifer.

Board discussion followed regarding alternatives and viability of each.

**Director Thompson moved to inform Army Corps of Engineers CCSD will not request detailed environmental analysis of the San Simeon CSD wastewater alternative within the water supply project EIR and we choose to not have them review that for the CCSD project. Director Robinette seconded. Motion carried.**

**Ayes – 3, No – 0, Absent – 2 (Bahringer, Clift)**

President MacKinnon took issue with discussion regarding Engineer's comments with respect to a portable desal system and case in point, World Caribbean has a flagship that has 6400 people capacity and 260,000 gallons per day operating every day , 365 days per year; reverse osmosis desal system. Very similar to one CCSD has received proposal for. Cost benefit that is unrivaled' it's a prototype. We had quote of \$800,000 for 240 AF/year for a container type desal system that would be core basis that could be implemented with brackish water installation. A

	<p>portable desal system is viable and should be considered as part of somewhere in the thinking of the CCSD's long term water supply solution. Many knowledgeable people in the community and directors with a common goal, maybe this is the time to have a committee made up of members of the public as well as board members for a broader group to work through the EIR process to solve a major problem.</p>
<p><b>B.</b> Discussion and consideration to introduce Ordinance 06-2012 amending CCSD Code 4.20.050 Program Standards</p>	<p>President MacKinnon introduced the item. General Manager Gruber summarized the item. District Engineer presented the staff report.</p> <p><b>Public Comment:</b> <u>Elizabeth Bettenhausen</u>, Cambria. Supports efficiency and improved water fixtures. There is no data on commercial conversion. If we speculate 100% of the people in town get better showerheads to save water that would save approximately 20.5 AF which is almost 3% of the revenue, theoretically speaking, for the CCSD. When looking at conservation, we need to look also at the question of reduction in revenue. If we had more revenue we could do more analysis by staff. This action seems premature until we receive the Conservation Program update that is currently being conducted. When looking at efficiency and conservation, look at the question of revenue for the CCSD. Decisions need to be made with fiscal impact data and that is not provided in this report. <u>Amanda Rice</u>, Cambria. Has studied conservation for five years. Agrees the ordinance is premature. Rate structure does need to be looked at to support conservation and there are ways to address the issue of the reduced amount of income. A Rate Stabilization Fund that ensures CCSD has enough money to run the District, the pumps, use chemicals, and all the things CCSD needs to do in order to get the water out to the community and then at the end of the year, you refund per meter any overages that you might have, so CCSD is not breaking the law about not charging more than it actually costs to provide the water which is a sticking point a lot of times. That way all expenses are covered and people who have used less water get a larger percentage of their money they put in for water during the year. Referenced website <a href="http://www.aquanomics.com">www.aquanomics.com</a> by a water economist David Zetland, who also wrote</p>

	<p>the book, "The End of Abundance" where he addresses these issues of promoting conservation and making sure you are still able to cover all of your bills and from an economic angle how you do all those things. Looking forward to having this done right. When she spoke to David Zetland when he was here in town a couple of years ago and showed him the CCSD rate structure he laughed and said it does not cause anyone to conserve. It's also not a way to make sure those who use less consciously and try to conserve as much as possible are rewarded for doing that. That doesn't exist right now.</p> <p><u>Mahala Burton</u>, Cambria. The whole idea of the conservation program is to have more building. It's the same amount of water with more houses. That was how this whole thing started. The intent to serve letter discussions initiated these discussions. Why are we pretending there will be less pumping? It is the same amount of water with a whole lot more houses. When we do have that drought and now we have no water we better get lots of those emergency desal plants.</p> <p>District Counsel Hirsch read ordinance by title.  <b>Director Thompson moved to waive further reading and introduce Ordinance by title only. Director Robinette seconded. Motion carried. Ayes – 3, No – 0, Absent – 2 (Bahringer, Clift)</b></p> <p><b>Director Thompson moved to introduce Ordinance 06-2012 amending the CCSD Code paragraphs 4.16(A) and 4.20.050(A)(1) to revise the water efficiency standards for toilets, urinals, showerheads. Faucets, commercial pre-rinse spray valves, clothes washers, and dishwashers. Director Robinette seconded. Motion carried. Ayes – 3, No – 0, Absent – 2 (Bahringer, Clift)</b></p> <p><b>Director Bahringer arrived 3:00 PM</b></p>
<p><b>C.</b> Discussion and consideration of nomination for CCSD Director as Special District member to LAFCO</p>	<p>President MacKinnon introduced the item. General Manager Gruber presented the staff report.  <b>Director Robinette moved to nominate Muril Clift to continue to be the CCSD representative to serve as the Special District Member on the San Luis Obispo Local Agency Formation Commission (LAFCO). Director Thompson seconded. Motion carried. Ayes – 4, No – 0, Absent – 1 (Clift)</b></p>



<p><b>D. Adopt Resolution 67-2012 authorizing amendments to the Payment and Compensation Plan for Cambria Community Services District Management and Confidential Employees (MCE)</b></p>	<p>President MacKinnon introduced the item. General Manager Gruber commented on the trend in California with regard to public employee benefits and thanked Management, Confidential, and Exempt staff in working with Bill Avery on the amendment. Administrative Services Officer Monique Madrid presented the staff report. Thompson commended President MacKinnon on strong sense of fiscal responsibility of CCSD to bring benefits and salaries in line with other public agencies.</p> <p><b>Director Robinette moved to adopt Resolution 67-2012 approving the amended Payment and Compensation Plan for CCSD Management and Confidential Employees. Director Thompson seconded. Motion carried.</b></p> <p><b>Ayes – 4, No – 0, Absent – 1 (Clift)</b></p> <p><b>Public Comment:</b></p> <p><u>Curt Hatton</u>, Cambria. Commended board on some of the actions being taken, not only retirement benefits and having employees pick up part of the cost, agrees that is happening Statewide and some agencies do not have healthcare into retirement. With that being said, CCSD has back to 1985 contracts that specifically say that “employees retiring prior to such legislation shall have insurance coverage as currently provided.” He has been told by Monique that it doesn’t say what it says, it doesn’t really mean that. Out of the 32 retirees, it means we perceive it one way and you perceive it a different way. You are adopting the payment and compensation plan, this Government Code section 22892 which is the bare minimum of that and yet if you go to the State, it is currently using Government Code §22893 and it has a breakdown; if you work 20 years or more, there’s 100% your employer pays contributions for retirees; 10 years, it’s 50%. He’s not saying that would be right or not, but the retirees’ position is that we had contracts that we retired under we want CCSD to obligate to them on those contracts. They stand united, there’s another letter that has come in from Robert Hamilton, who was the Assistant General Manager/Utilities Manager who retired in 2001. CCSD has employees who have worked; Bryan Bode 32 – 35 years, Bub Camozzi who worked 30 – 35 years and to pull this out from under them is a crying shame. He sees closed</p>
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	<p>session item for potential litigation regarding the retirees, feeling that our rights have been violated. He is just asking, he does not want to hire an attorney, does not want to litigate, but if their backs are pushed to the wall, he thinks the group will do whatever the group feels would be right with regard to retiree rights. With all due respect to the attorneys, when litigated nobody wins other than the attorneys and is saying this out of respect for you. He does not understand how the unions can represent the retirees. They are not represented on this matter. When raises have been given, they have not received raises. If there's an increase in benefits, they do not receive it and yet now, since it benefits the District, it is being taken away. Four months ago, CCSD CPA gave a breakdown on the financial picture of the District and he referred to Stockton, Mammoth Lakes, and San Bernardino because they went bankrupt. Cambria has over \$4 million in reserves, so CCSD is not hurting and concessions have been made. In 2004, he signed off on the 95/5 plan and recognizes that and is happy with that. He has PERS Choice and pays the difference. The plan has gone up 16% and he will pick up the difference. He wanted to speak on behalf of the retirees.</p> <p><u>Amanda Rice, Cambria.</u> A retirement benefit is pay delayed for work already done. These folks worked expecting this is what they were going to get. The policy makers at the time gave them the contract, and thinks taking it away is not the right thing to do.</p>
<p><b>E. Adopt Resolution 68-2012 reporting the payment of member contributions to the California Public Employees' Retirement System for Management and Confidential Employees (MCE)</b></p>	<p>President MacKinnon introduced the item. General Manager Gruber summarized the report. Administrative Services Officer Madrid presented the staff report.</p> <p>Public Comment: None</p> <p><b>Director Bahringer moved to adopt Resolution 68-2012 authorizing reporting the payment of Employer Paid Member Contributions (EPMC) to the California Public Employees' Retirement System for employees who are members of the Management and Confidential Employees (MCE) group. Director Robinette seconded. Motion carried.</b></p> <p><b>Ayes – 4, No – 0, Absent – 1 (Clift)</b></p>

<p><b>F.</b> Adopt Resolution 66-2012 electing to be subject to Public Employees' Medical and Hospital Care Act Only with respect to members of a specific employee organization and fixing the employer's contribution at an amount at or greater than that prescribed by §22892(b) of the Government Code</p>	<p>President MacKinnon introduced the item. Administrative Services Officer Madrid presented the staff report.  <b>Director Bahringer moved to adopt Resolution 66-2012 electing to be subject to Public Employees' Medical and Hospital Care Act Only with Respect to Members of a specific employee organization and fixing the employer's contribution under the Public Employees' Medical and Hospital Care Act to the minimum contribution for employees in the SEIU and MCE groups. Active employees will continue to receive the 90/10 split of the health care premium as referenced in the SEIU MOU and MCE Payment and Compensation Plan. Director Thompson seconded.</b>  <b>Ayes – 4, No – 0, Absent – 1 (Clift)</b>  <b>Public Comment:</b>  <u>Curt Hatton</u>, Cambria. At last month's meeting Director Bahringer said he would be happy to meet with retirees and discuss any questions. How does he get to meet with Jerry and/or the board and have that on the agenda? What is the procedure?</p>
<p><b>G.</b> Adopt Resolution 65-2012 rescinding Resolution 13-2009 regarding instituting an immediate hiring freeze and approval of unfilled budgeted staff positions</p>	<p>President MacKinnon introduced the item. General Manager Gruber presented the staff report. Board discussion followed.  Public Comment: None  <b>Director Robinette moved to adopt Resolution 65-2012 rescinding Resolution 13-2009 establishing a hiring freeze. Director Bahringer seconded. Motion carried.</b>  <b>Ayes – 4, No – 0, Absent – 1 (Clift)</b>  Board discussion followed with direction to staff to bring back on a future agenda, an item to revise Board of Director compensation to \$100 per meeting, rather than the current \$75. It was a board concession and is reasonable at this time to return to \$100 per meeting.</p>
<p><b>10. FUTURE AGENDA ITEM(S)</b></p>	<p>None</p>
<p><b>11. ADJOURN</b> to closed session.</p>	<p>President MacKinnon adjourned the meeting to closed session at 3:40 PM</p>