

CAMBRIA COMMUNITY SERVICES DISTRICT
MINUTES OF THE REGULAR MEETING OF BOARD OF DIRECTORS
November 17, 2008 – VETERANS MEMORIAL BUILDING

1. Call to Order: President Cobin called the meeting to order at 12:35 p.m., led the pledge of allegiance and established a full quorum.

Present: Directors Chaldecott (arrived 12:40 PM), Clift, Funke-Bilu, Sanders and President Cobin.

Absent: General Manager Tammy Rudock

Also present: Assistant General Manager Bryan Bode, District Counsel Art Montandon, District Engineer Bob Gresens, Finance Manager Alleyne LaBossiere, Fire Chief Bob Putney, Assistant Fire Chief Mark Miller and District Clerk Kathy Choate
District Counsel reported no final actions from closed session to report at today's meeting.

2. Agenda Review:

Consent Items 6G, 6C, and 6F pulled for separate consideration. Tammy Rudock noted correction to Item 6C noting staff informed her, the Robinsons are working through merger process with SLO County. Add Jack Breglio, Cambria Historical Society update to presentations.

3. Acknowledgements/Presentations

Richard Margetson presented Needs and Wishes for Maxine Lewis Homeless Shelter fundraiser, Dec 13, 10:00 – 8:00 PM, South Bay Community Center.

Jack Breglio provided an update on the Guthrie Bianchini House restoration, near completion, awaiting wallpaper to match the original. Champagne Opening scheduled for November 22, by invitation only. Dec 13 Cambria Historic Museum open to public 11:00 – 3:00 PM, open four days a week, Thursday – Sunday. Hospitality Night, Dec 4, photos with Santa, hot cider and cookies.

President Cobin presented a proclamation honoring retired Chief Bob Putney. Norman Smyth, CERT recognized Chief Putney on behalf of CERT and how his leadership formed CERT. Joyce Renshaw recognized Chief Putney on behalf of Fire Safe Council. Accolades from General Manager Tammy Rudock, Cambria CSD Fire Department Mark Miller and staff and many others honored Chief Putney. District Clerk Kathy Choate administered the Oath of Office to Mark Miller, new CCSD Fire Chief. A reception followed honoring Chief Putney and welcoming Chief Miller.

4. Special Reports

A. Sheriff's Department Report: No report.

5. Manager's and Board Reports

A. Manager's Report: Tammy Rudock summarized the manager's reports and announced "How to Read Quarterly Financial Reports" workshop, Wednesday, Nov 19, 5:00 PM, and extended trolley service for Hospitality Night.

B. Member and Committee Reports:

1. Forest Committee: Director Funke-Bilu introduced Richard Hawley who presented the topic of the month, Overview of Forest Management Plan, Managing Cambria's Pine Forest, Richard Hawley, Executive Director, Greenspace Land Trust

Consent Agenda

- A. Approve expenditures for month of October 2008
- B. Approve minutes of Board of Directors meeting, October 23, 2008
- C. Adopt resolution 36-2008 rejecting claim per SDRMA (Special District Risk Management Association) recommendation-Robinson
- D. Adopt resolution 37-2008 declaring work completed in conformance with the plans and specifications for the Pine Knolls reservoir replacement project
- E. Adopt resolution 38-2008 authorizing amendment no. 2 to February 20, 2003 consulting services agreement with RBF Consulting
- F. Adopt resolution 41-2008 approving a two-year lease extension with Cambria Village Square Shopping Center for the CCSD administrative offices for the period of October 31, 2008, through October 30, 2010
- G. Adopt resolution 39-2008 approving Fire Chief position description and employment agreement with Mark Miller

Tammy Rudock read into the record consent agenda items 6 A, B, C, D, and E. **Director Sanders moved to approve consent agenda as read. Director Cliff seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0.**

Item 6 F pulled for separate discussion. Board discussion followed. **Director Sanders moved to hold over to the December meeting with staff to negotiate rental rate for less than proposed. Director Funke-Bilu seconded. Ayes – 5, No – 0, Absent – 0.**

Item 6 G pulled for separate discussion. Director Cliff requested minor edits: Residency requirement, 45 minute response, eliminate from job description the time element and gender references. 3rd whereas, in terms of agreement, page 3 item #6 professional development 1st sentence change "shall" to "may." Board discussion followed regarding residency requirement. If requirement waived, explain in the personnel policy.

Director Cliff moved to approve with modifications. Director Sanders seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0. Ayes – 4, No – 1 (Funke-Bilu), Absent – 0.

Public Comment:

Jerry McKinnon, Cambria. Item 6E, pg 2, suggested surplus in budget be used for LandWatch lawsuit.

Elizabeth Bettenhausen, Cambria. Item 6E, about \$81,000 unspent budgeted. Requested cost allocation for Stuart Street Tank Project and Rodeo Grounds Pump Station.

Mary Webb, Cambria. Item 6E pg 4, expressed concerns that consulting services costs are underestimated.

Amanda Rice, Cambria. Question on 6A, pg 5 recurring charge of \$839.30 broadband.

7. Hearing and Appeals

- A. Consider extension of Intent to Serve for 18 multi-family units APN 024.191.060.
 - 1. Adopt resolution 40-2008 approving agreement for settlement and mutual release with San Luis Trust Bank
 - 2. Consider request by J E Lindsey for extension of Intent to Serve

Director Chaldecott recused himself as the result of a potential conflict of interest (based on property referenced in Exhibit B1) and stepped down from the dais exiting the meeting during this hearing item. District Counsel Art Montandon reviewed the staff report, commenting on Mr. Lindsey's bankruptcy status. Bankruptcy filing is not an automatic stay with regard to the extension. If CCSD Board does nothing, Mr. Lindsey's request for extension would expire by its own terms. The agreement for settlement and mutual release reissues the Intent to Serve letters to San Luis Trust Bank for five years, reasonable estimate for development with California Coastal Commission approval.

President Cobin opened public hearing.

John Belsher, representing J E Lindsey (present) and Bruce Frazier, architect (present). raised technical issue on whether CCSD may take water meter positions away from JE Lindsey Inc.; positions he negotiated for in an earlier settlement agreement. (Mr. Belsher distributed May 2005 settlement agreement, copies of declarations, and July 2008 memorandum with County.) Meters were expressly issued to JE Lindsey Inc., by virtue of Paragraph 1A of agreement and had financing in place up until the time CCSD Board revoked his meters. Cited Bankruptcy Code 541(a) and requests granting of extension of meters so they don't expire and determine if bank has authority to sell meters as an asset.

Public Comment:

Tim Carmel, attorney representing San Luis Trust Bank. The bank has an application that stands on its own merit. The application before CCSD Board agrees with settlement agreement. San Luis Trust Bank will transfer ten lots to CCSD for open space and requests after Board takes testimony, approve the settlement agreement. Paul Ready, bankruptcy attorney is present to answer any technical questions related to bankruptcy. If the bank acquires lots 23 and 24 they could be used to develop workforce housing. Bank has no security interest; the large debt owed by Mr. Lindsey to the bank will ultimately be paid by assets owned by Mr. Lindsey. The will serve letters would add value to the lots.

Joe Lindsey. Following May meeting when CCSD Board revoked his meters, he called Directors Clift, Cobin and Chaldecott regarding his properties and the potential for losing his financing and the project he has spent two years working on.

Mahala Burton, Cambria. What is an Intent to Serve letter? Is it part of the pipeline projects approved five or six years ago? What is a water meter? What is a grandfathered meter?

Jerry McKinnon, Cambria. Do we want affordable housing in Cambria; if so, get that as quickly and legally as possible.

President Cobin closed public testimony.

Board discussion followed regarding multi-family housing and San Luis Trust Bank intentions with developing multi-family units and timeline to do so. Further discussion to accept condition of extension on two multi-family meters for JE Lindsey providing the meters be used for multi-family only, not single family residences.

CCSD Counsel for the record: Normally in an Intent to Serve extension, five months from now when the request for an extension is presented CCSD requires some proof of progress, the only progress CCSD expects in this timeframe is negotiations with the bank for further information.

Director Sanders moved to grant J.E. Lindsey an extension of the Intent to Serve letter for two multi-family EDUs for lots 23 and 24 for a period of six months on the

condition that they can only be used in conjunction with a multi-family project. President Cobin seconded. Motion carried unanimously. Ayes 4, No – 0, Absent – 0, Abstain – 1 (Chaldecott)

Director Funke-Bilu moved to adopt Resolution 40-2008 approving the modified Agreement for Settlement and Mutual Release with San Luis Trust Bank. Director Sanders seconded. Motion carried unanimously. Ayes 4, No – 0, Absent – 0, Abstain – 1 (Chaldecott)

8. Regular Business

A. Consider request by CenCal Development to modify Intent to Serve (ITS) to APN 013.151.045. Art Montandon reviewed the staff report. CenCal has submitted a written request to extend the time allotment for the Intent to Serve on APN 013.151.045. Board discussion followed regarding this project. Board requested CenCal provide full facts regarding where the meter is going, what is the purpose and status of the project.

Director Sanders moved to continue the item to December regular meeting, request Pelle, meter owner provide explanation of where the meter is going, what the purpose is and status of project. Director Chaldecott seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent – 0

Public Comment: Mary Webb. Commented on consistency.

9. Public Comment

Mary Webb, Cambria Cambrians for Fiscal Responsibility. Commented on Prop 218 tally.
Jerry McKinnon, Cambria. Commented on last month's minutes.

10. President Cobin adjourned the meeting at 5:25 p.m.