

MINUTES OF REGULAR MEETING
April 10th, 2019

1. CALL TO ORDER

President Pete Kelley called the regular meeting of the Board of Directors of the Avila Beach Community Services District, to order at 11:00 AM on the above date, in the Avila Beach Community Services District Building, 100 San Luis Street, Avila Beach, California.

2. ROLL CALL

Board Members Present: Pete Kelley
 Lynn Helenius
 Ara Najarian

Absent: Kristin Berry

Staff Present: Brad Hagemann, General Manager and District Engineer
 Kristi Dibbern, Accounting Clerk
 Krista Young, Operations FRM
 Mike Seitz, Legal Counsel

3. PUBLIC COMMENTS

President Kelley moved agenda Item 7. D. to the first item of New Business due the attendance of Tommy Gong, San Luis Obispo County Clerk Recorder.

4. INFORMATION AND DISCUSSION ITEMS

A. County Reports

SLO Sheriff: Commander Michael Manuele reported 103 calls for service in the Avila area during the month of March that resulted in 12 reports. Manuele reported one burglary, four thefts (due to unlocked vehicles), one vandalism, and three suspicious circumstances. The Sheriff stated they will staff the Avila vicinity during the upcoming concert season. Commander Manuele commented that Cave Landing will also be heavily patrolled during the Spring and Summer months.

Cal Fire: Battalion Chief Lee reported 50 calls during the month of March, 23 of those were for medical aid. Cal Fire responded to an accident at the corner of Avila Beach Drive and Monty Road which resulted in one fatality and 2 people with minor injuries and 1 person with a major injury. Cal Fire responded to a cardiac arrest situation on the Bob Jones trail. The victim unfortunately died prior to receiving medical aid. Chief Lee reported Fire Season begins on April 15th. Fifty firefighters are staffing 9 engines at this time. Weed abatement season is upon us. Chief Lee reminded everyone to clear brush and weeds at least 8 feet from your home and outbuildings. Remember do not store items that contain combustible material such as wicker chairs, children's toys, bar-b-ques, or trash cans near your home.

B. Reports on Conferences, Meetings and General Communications.

None.

5. CONSENT ITEMS

Capital Improvement Program (CIP) Status Report: Vice President Helenius asked for clarification regarding the repairs for Water Tank #2. The CIP report estimated the cost of repair is 75% of the cost of a new tank (approximately \$200,000). GM Hagemann reminded the Board and public that the most critical repairs on Tank 2 have been completed. The decision to either replace or repair Tank #2 will be postponed until next fiscal year.

Director Kristin Berry joined the meeting at 11:15 am.

Vice President Helenius asked if the Water Valve Replacement Project is complete. GM Hagemann responded that several valve clusters were replaced last year. The FY 2019/20 CIP will include funding to replace broken or non-operating valves.

Vice President Helenius asked about the financing options for the WWTP Upgrade Project. GM Hagemann explained that he is currently investigating finance options and will report back to the Board in early Fall of this year. Legal Counsel Mike Seitz, commented that both the Avila Beach CSD and the Port San Luis Harbor District must formally approve the WWTP upgrade financing arrangements before finalizing them.

Vice President Helenius commented that the San Miguel Street Sewer Line Project anticipated cost is double the currently budgeted amount. GM Hagemann responded that the scope of the project is still under development and the FY 2019/20 CIP budget will adequate funding for the project.

General Managers Report: GM Hagemann summarized that winter rains have greatly improved the County water reservoir levels. Lake Lopez is currently at 29,200 AF and 59% capacity. The consultant working on the solid waste rate increase request will be finalizing his report and will provide recommendations in early April. The District can use the analysis to support their deliberation on the proposed rate increase.

Staff recommends the Board approve an updated Wastewater Water Capital Improvement Projects (WW-CIP) budget to more specifically define the Waste Water Treatment Plant (WWTP) improvement projects completed this fiscal year. This budget will not increase monetarily. However, staff recommends revising the budget to provide more specifics regarding the projects completed in fiscal year 2018/19.

President Kelley made a motion to approve the Consent Items. Vice President Najarian seconded the motion and it passed with a roll call vote 4-0.

AYES: Pete Kelley
 Ara Najarian
 Kristin Berry
 Lynn Helenius

NOES: None
ABSENT: None

6. **DISCUSSION OF PULLED CONSENT ITEMS.**

None

7. **BUSINESS ITEMS:** Items where Board action is called for.

Item "D" was moved to the top of the Agenda.

D. Resolution Requesting the County Hold a Special Election to Fill Board Member Vacancy.

Since the District has not been able to fill Director DeWeese's position via appointment, the County Clerk's office requested staff to prepare a Board Resolution (Res No. 2019-01) that requested the Board of Supervisors hold a special election to fill the position. County Clerk Recorder, Tommy Gong attended the Meeting and provided a summary of the election laws and the procedure for having a special election. Mr. Gong explained that the time has passed when the Board of Supervisors could make an appointment. Therefore, a special election needs to take place at the earliest opportunity, which is August 27th, 2019. After Board discussion and an opportunity for public comment President Kelley made a motion to adopt Resolution No. 2019-01. Director Berry seconded the motion and it passed with a roll call 4-0.

AYES: Pete Kelley
Kristin Berry
Ara Najarian
Lynn Helenius

NOES: None
ABSENT: None

A. Proposal for Independent Auditor Services for FY 2018/19 through FY 2020/21.

GM Hagemann introduced the item by stating that staff understands that the Board has been satisfied with Fedak & Brown, LLC auditing services for the last several years. Based on that understanding, staff requested and received a proposal from Fedak and Brown, LLC for financial auditing services for the next three fiscal years with an option for an additional two years. If approved, the District will not be "locked in" for three years as both Fedak & Brown, LLC and the District will be able to terminate the contract with advanced notice. Staff recommends awarding a contract with F&B to continue providing audit services. Director Najarian made a motion to award the contract to Fedak & Brown for auditing services. Director Berry seconded the motion and the motion passed with a roll call vote 4-0.

AYES: Ara Najarian
Kristin Berry
Lynn Helenius
Pete Kelley

NOES: None
ABSENT: None

B. Proposal for Cost of Services Study and Water and Sewer Rate Analysis

GM Hagemann summarized the Staff Report. Tuckfield & Associates submitted a proposal to prepare a cost of services analysis and proposed rate schedule. Hagemann noted, Tuckfield & Associates is well suited for this type of work and has been actively working in this field for many years. The estimated project cost for the study is \$23,500 and will take approximately seven months to complete.

Vice President Helenius asked if the Board should include updating the Connection Fee Rates as part of the study. The Board concurred and directed staff to add updating the water and sewer connection fees to the scope of the study and bring it back to the Board at the May Board meeting.

C. FY 2019/2020 Budget Preparation Procedures and Schedule. GM Hagemann quickly summarized the three step Budget preparation process: Finance Committee Meeting to review draft budget outline (Mid-April); Draft budget for Board and public input (May mtg); Public hearing and budget adoption (June mtg). GM Hagemann explained that this year the water and sewer rates will remain the same so the Finance Committee could choose to forego the initial committee meeting or schedule the committee meeting for the third week of April. The Board requested a Finance Committee meeting be set on April 25th at 1:00 P.M.

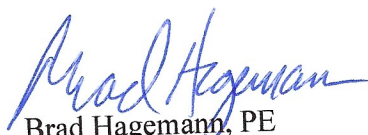
8. **COMMUNICATIONS:** None reported

9. **ADJOURNMENT:** The meeting was adjourned at 12:20p.m.

The next regular meeting of the Avila Beach Community Services District is scheduled for Wednesday, May 8th, 2019 at 11:00 AM at 100 San Luis Street, Avila Beach.

These minutes are not official nor a permanent part of the records until approved by the Board of Directors at their next meeting.

Respectfully submitted,


Brad Hagemann, PE
General Manager