

**AVILA BEACH COMMUNITY SERVICES DISTRICT  
MINUTES OF REGULAR MEETING  
August 8th, 2017**

**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 7:00 p.m. on the above date, in the Avila Beach Civic Center.

**2. ROLL CALL**

Board Members Present:                   Pete Kelley  
  Lynn Helenius  
  Eric DeWeese  
  Kristin Berry

Board Members Absent:                   Ara Najarian

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

**3. PUBLIC COMMENTS**

Anne Brown Avila Beach, commented that the County is resurfacing all the streets in Avila this month.

**4. INFORMATION AND DISCUSSION ITEMS**

**A. County Reports**

**1. SLO Sheriff:**

Sheriff Voge reported 61 calls for service including, 12 suspicious subjects, two dogs were reported to be locked in two separate vehicles, both dogs were reported safe after officers investigated. Two burglaries occurred at Bob Jones trailhead, both incidents were due to purses being visible through the cars' windows. Sheriff Voge reported an incident at Pirates Cove regarding a man sitting on a rock 25 feet out in the ocean. Officers responded with an ocean vessel and apprehended the man for being under the influence of drugs. Avila Hot Springs reported a car break in. Other reported incidents included: drug abuse at the Bob Jones Trailhead late at night; a man was reportedly seen chasing people with a pitchfork in the Pirates Cove area. In response to a question from the public, Sheriff Voge reported there is no regular bike patrol in Avila Beach due to lack of staffing.

**2. Cal Fire Report:**

Cal Fire Battalion Chief Paul Lee was unable to attend the meeting. However, Chief Lee did provide a written report to GM Hagemann that was read into the record. There were sixty-five calls for service this month, 32 were medical related. Cal Fire has received funding and put into service a Helitanker (Skycrane Helicopter) at the Paso Robles Air Attack Base. This helicopter has

great ability to drop 1000's of gallons of water at one time with quick turnaround time using the ocean and nearby creeks to refill. Chief Lee is requesting the community's help in reporting any activity that could start a fire by calling 911. Cal Fire is focusing their efforts on creating awareness of vehicles dragging chain/metal or that are in poor running condition. The state has incurred many fire starts statewide due to vehicular issues.

**B. Reports on Conferences, Meetings and General Communications – None Reported**

**5. CONSENT ITEMS**

**President Kelley introduced the consent items and inquired if any member of the Board or public wished to address any items.**

- A. Minutes of July 11<sup>th</sup>, 2017 Regular Meeting
- B. Monthly Financial Review for July
- C. General Manager and District Engineer Report
- D. Water and Wastewater Superintendent Report July Report

Director Helenius made the motion to adopt the consent items. Director DeWeese seconded the motion and it passed with a roll call vote 4-0.

AYES: Lynn Helenius  
Eric DeWeese  
Pete Kelley  
Kristin Berry

NOES: None

ABSENT: Ara Najarian

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

None

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

**A. Brown Act Workshop at Port San Luis Harbor District**

GM Hagemann reminded the Board members that they needed to contact the office if they plan to attend the Workshop. Legal counsel Seitz stated that CSDA staff advised him that the Workshop is full, but there is a waiting list. Staff agreed to contact CSDA to regarding options for the Workshop.

**Ara Najarian joined the meeting at 7:30 p.m.**

**B. Award Contract for Water Tank #1 Maintenance**

GM Hagemann summarized the Staff Report, reminding the Board members that Advanced Technical Services (ATS) completed water tank inspection & cleaning in Feb 2017 and their reports included maintenance recommendations for both Tanks. Hagemann stated that tank #1 is much newer and is in considerably better condition than tank #2. ATS owner, William Bellis and Hagemann met in late July and Bellis provided an estimate for maintenance work on Tank #1. The proposal includes two days of spot repairs (internal and external), confined space entry and a fully sanitized dive team. Hagemann explained that the work is expensive since it requires specialized training and capabilities in order to complete the work while the tank is full.

Work on Tank #2 will be more comprehensive and we will bring that project to the Board at a future Board meeting.

Director DeWeese made the motion to award the contract for Water Tank #1 maintenance. Director Helenius seconded the motion and it passed with a roll call vote 5-0.

AYES: Eric DeWeese  
Lynn Helenius  
Kristin Berry  
Ara Najarian  
Pete Kelley

NOES: None

**C. Purchase of Back-Up Power Generator for First Street Lift Station**

GM Hagemann explained that when power is lost, FRM staff must respond quickly to the First St Lift Station to get the “trash pump” running to avoid a sanitary sewer overflow (SSO). Fortunately, we have not had an SSO in recent past, but the District has spent a considerable amount of money on emergency response and overtime due to power outages and rental of a back-up generator. Hagemann stated that purchase of a back-up generator and switchgear is a significant expenditure, but not uncommon in the wastewater industry. The back-up generator will pay for itself over time and if the District experienced a sewage spill (with no back-up power) the penalties imposed by the regulatory agencies could easily exceed the cost of the project. Director Narajian made the motion to purchase a back-up power generator for the First Street Lift Station at a not to exceed amount of \$27,750. Director Kelley seconded the motion and it passed with a roll call vote 5-0.

AYES:           Ara Najarian  
                  Pete Kelley  
                  Lynn Helenius  
                  Eric DeWeese  
                  Kristin Berry

NOES:           None

**D. Consider Adoption of District Financial Reserve Policy**

GM Hagemann summarized the Staff Report and explained that the California Special Districts Association (CSDA) and other local government advocates recommend Special District’s adopt a Financial Reserve Policy. Hagemann explained that having a Reserve Fund Policy would, among other things, provide a structure and document the District’s Reserve Funds and intended uses. The Reserve Policy helps educate and demonstrate the long-term expenses of a District and allow the Board to plan accordingly. Components of District’s proposed Policy Include:

- Operating Fund
- Capital Replacement Fund
- Capacity Reserve Fund
- Emergency Capital Reserve Fund (currently part of CIP)
- Rate Stabilization Fund

The Reserve Fund Policy is at the discretion of the Board. The Board will review the Reserve Fund Targets and Balances as part of the annual budget adoption process. Funding of the Reserve Funds would come from the existing Local Agency Investment Fund (LAIF) reserve account.

James Orth, of Avila Beach commented that the need for a Reserve Policy seems to be a sound business practice, with the ability to determine the amounts within the policy at a later date.

After much discussion and input from Legal Counsel, Director Najarian made the motion to Adopt Resolution No. 2017-09, adopting a Financial Reserve Policy, but omitting the paragraph regarding “Exhibit A” regarding “fund amounts”. The amounts to be distributed between each fund will be determined later with input from the Finance Committee. Director Kelley seconded the motion and it passed with a roll call vote 5-0.

AYES:           Ara Najarian  
                  Pete Kelley  
                  Eric DeWeese  
                  Kristin Berry  
                  Lynn Helenius

NOES: None

**E. Avila Beach Recycled Water Facilities Plan**

GM Hageman reminded the Board that this project is being 50% funded by a grant by the State Water Resources Control Board and the District and San Miguelito Mutual Water Company are equally sharing the remaining 50%. The overall report is over 120 pages so staff only provided the Executive Summary in the Board packet. Staff will post the entire Draft Report on the District web page.

The goals of the study included: identifying, evaluating and prioritizing new drought resistant RW supply alternative; Evaluating RW projects; and identifying a preferred location or locations for a regional RW plant. The Board to considered the options and discussed the pros and cons of each. After some discussion, the Board concluded that implementing any of the recycled water options appeared to be cost prohibitive at this time.

The Board directed Staff to: complete the Recycled Water Facilities Plan; request grant reimbursement from the State Board; attend San Miguelito Mutual Water Company Board Meeting when they consider the report; and request reimbursement from SMMWC.

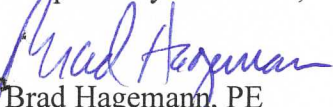
**8. COMMUNICATIONS:**

**ADJOURNMENT: The meeting was adjourned at 8:45 p.m.**

**The next regular meeting of the Avila Beach Community Services District is scheduled for Tuesday, Sept 12th, 2017 at 7:00 pm.**

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