

**MEETING MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR BOARD MEETING**  
**Tuesday, October 12, 2021**  
**5:00 pm**

Pursuant to San Simeon CSD Resolution 21-433 and incompliance with AB 361 this meeting occurred as a virtual teleconference using the Zoom app.

**Internet Meeting Location – Via ZOOM**

**1. REGULAR SESSION: 5:11 PM -**

- A.** Chairperson Kellas – Present  
Vice-Chairperson Giacoletti – Present  
Director Carson – Present  
Director de la Rosa – Present

**B. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

**Public Comment –**

(1:47) Karina Tiwana commented that when she logged into the meeting, Zoom asked for a meeting ID code. She further stated that perhaps many members of the public did not understand this process making it difficult for them to login.

(2:34) Julie Tacker commented about members of the public being able to participate in Board meetings. Stating that the process resulted in members of the public being disenfranchised and resulting in a Brown Act violation. She also commented that there were items missing from the meeting agenda. She asked the Board to add the MBS Survey matter to the meeting agenda along with the FPPC findings related to Charlie Grace.

(7:04) Henry Krzciuk commented that the meeting agenda was confusing and that there only needed to be one meeting link. He spoke about the land survey, the Hearst Encroachment items, and the grant related to the water tank project asking the Board to recover funds from the contractors involved in these transactions.

\*(10:14) Michael Cruz commented that an on the record opinion could be obtained from Jeffrey Minnery as to whether the Board meeting should proceed.

(11:10) Albert Barretto commented about the Zoom process stating if the District did not have an IT person that he [sic] was ok with there being issues with the meetings from time to time. He also commented about the street parking being a public nuisance issue.

(12:40) Michael Donahue commented that the Board meeting needed to be rescheduled. He commented that the Hearst Encroachment had cost the community and that the Board needed to take the necessary steps to recover the losses.

\*(14:24) Chairperson Kellas asked for Jeffrey Minnery to please provide an opinion about the agenda noticing and any possible Brown Act violations. Jeffrey Minnery responded that the meeting had been properly agenzized.

**C. SPECIAL PRESENTATIONS AND REPORTS: (16:02)**

**A. STAFF REPORTS:**

- i. Sheriff's Report** – No report was given.
- ii. CHP Report** – No report was given.
- iii. Superintendent's Report** – (16:40) Jerry Copeland provided a summary of September activities.

- iv. **General Manager's Report** – (17:56) Charlie Grace provided a Summary of September activities. Michael Stanton from MBS Survey was present at the meeting and answered Board members questions. (23:00) There was discussion with the Board members and Michael Stanton.
- v. **District Financial Summary** – (30:47) Charlie Grace provided a summary of the September financials.
- vi. **District Counsel's Report** – (32:04) Jeffrey Minnery provided a summary of September activities.
- vii. **Board Member Report** – (32:30) During the General Manager's report Charlie Grace provided information related to an article on Internal Revenue (IRS) findings about Director Compensation.

**A. AD-HOC COMMITTEE REPORTS:**

- i. Status Update Disbursements Journal Review Committee – (33:05) No update was provided.
- ii. Status Update Policy & Procedures Committee – (33:45) Chairperson Kellas provided an update.
- iii. Status Update parking on District Streets – (34:08) Director de la Rosa provided an update. He discussed a recent Ordinance that the County had approved in Los Osos, Cayucos, and Cambria.
- iv. Status Update Budget Committee & Water Committee– (37:55) No update was provided.

(38:35) Director Carson complemented Director de la Rosa for his work on the parking matter.

**Public Comment – Special Presentations and Reports**

- (40:05) Karina Tiwana commented.
- (43:20) Julie Tacker commented.
- (46:44) Henry Krzciuk commented.
- (49:58) Michael Hanchett commented.

**D. CONSENT AGENDA ITEMS:**

**A. Review and approval of Minutes for the Regular Meeting on September 9, 2021.**

**B. Review and approval of Minutes for the Special Meeting on September 30, 2021.**

**C. Review and approval of Disbursements Journal.**

(52:24) Vice-Chairperson Giacoletti commented on the payment to Jeff Oliveira and the bills to legal counsel.

**D. Approval of a transfer of funds in the amount of \$50,000 from the General checking account to the Money Market Account.**

**E. Review of authorization of powers to the Board under Resolution 21-433.**

(54:00) Chairperson Kellas provided a summary of Resolution 21-433. Jeffrey Minnery clarified that the resolution was a re-ratification of the existing resolution that the Board had approved. Cortney Murguia read (in part) the resolution header included the updated dates.

**Public Comment –**

- (57:25) Julie Tacker commented.
- (1:00:44) Henry Krzciuk commented.

(1:08:00) Karina Tiwana commented.

(1:10:20) A motion was made to approve consent agenda with the date for Item B being September 30, 2021 and Item E the resolution number being 21-434. Cortney Murguia asked for clarification on the motion. Chairperson Kellas clarified the motion as approval of Items A-E.

Motion: Chairperson Kellas  
2nd: Director Carson  
Vote: 4/0  
Absent: 0

Roll Call: Kellas: Yes          Giacoletti: Yes          Carson: Yes          de la Rosa: Yes

**E. BUSINESS ACTION ITEMS: (1:12:00)**

**A. REVIEW AND APPROVAL OF DRAFT SOLID WASTE RULES AND REGULATIONS. (1:12:55)**

Charlie Grace introduced the item.

**Public Comment –**

(1:16:10) Henry Krzciuk commented.

(1:18:26) Julie Tacker commented.

(1:21:16) A motion was made to approve the draft solid waste rules and regulations and to move forward with the IWMA portion.

Motion: Chairperson Kellas  
2nd: Director Carson  
Vote: 4/0  
Absent: 0

Roll Call: Kellas: Yes          Giacoletti: Yes          Carson: Yes          de la Rosa: Yes

**B. AUTHORIZATION FOR HARBOR OFFSHORE, INC. TO PROVIDE INSPECTION OF THE OCEAN OUTFALL NOT TO EXCEED THE AMOUNT OF \$13,000.00. (1:23:10)**

Chairperson Kellas recused herself and asked that Vice-Chairperson Giacoletti take over.

(1:24:00) Charlie Grace introduced the item.

**Public Comment –**

(1:25:20) Julie Tacker commented.

(1:27:30) Michael Hanchett commented.

(1:28:28) A motion was made to authorize Harbor Offshore, Inc to provide inspection of the ocean outfall not to exceed the amount of \$13,000.00.

Motion: Vice-Chairperson Giacoletti  
2nd: Director de la Rosa  
Vote: 3/0

Recused: Kellas

Roll Call: Giacoletti: Yes      Carson: Yes      de la Rosa: Yes

**C. DIRECTION TO STAFF REGARDING CUSTOMER'S REQUESTS FOR CREDIT ON UTILITY BILLS. (1:29:30)**

Charlie Grace introduced the item.

(1:32:05) Director Carson and Charlie Grace discussed the billing process and potential ideas for credits to customers accounts.

**Public Comment –**

(1:38:10) Joyce Orefice commented.

(1:39:58) Karina Tiwana commented.

(1:40:15) Chairperson Kellas read a letter from Jerry McLaughlin.

(1:41:50) Direction was provided to staff to review the policies that have been submitted from other CSD's so the Board may come to the conclusion as to which one the Board wants to initiate.

(1:42:20) Vice-Chairperson Giacoletti asked Joyce Orefice to provide clarification about if the property was occupied when the high-water bill occurred.

(1:44:50) Director de la Rosa asked Joyce Orefice if she had a lock on her outside faucet.

(1:46:30) Parrish Todd commented.

(1:48:28) Joyce Orefice commented.

(1:49:35) A motion was made to have staff review all the current practices provided in the Board packet and return with a draft policy at the November Board meeting.

Motion: Chairperson Kellas

2nd: Director de la Rosa

Vote: 4/0

Absent: 0

Roll Call: Kellas: Yes      Giacoletti: Yes      Carson: Yes      de la Rosa: Yes

**D. CONSIDERATION OF APPROVAL OF CONTRACT AMENDMENT FOR MANAGEMENT SERVICES FOR GRACE ENVIRONMENTAL SERVICES. (1:50:28)**

Jeffrey Minnery introduced the item.

(1:50:55) Cortney Murguia stated that Charlie Grace had left the Board meeting.

(1:53:52) Director Carson stated that he supported Charlie Grace and the work that he done in the community. He asked for clarification about the oath of office process and asked if the contract revisions protected the community.

(1:57:18) Vice-Chairperson Giacoletti asked about the conflating of the GES as a single entity. Jeffrey Minnery clarified that the contract revisions were an attempt to appoint Charlie Grace as the General Manager.

(1:58:45) Director de la Rosa asked about Charlie Grace, Inc acting as a General Manager. Jeffrey Minnery replied that Charlie Grace would be acting as the General Manager as the sole manager of the LLC.

(1:59:29) Chairperson Kellas commented that Charlie Grace had done an excellent job running the WWTP and maintaining the infrastructure.

**Public Comment –**

(2:00:40) Henry Krzciuk commented. (He was accidentally muted for 5 seconds)

(2:04:45) Julie Tacker commented.

(2:08:12) Michael Cruz commented.

(2:09:43) Michael Donahue commented.

(2:10:45) Michael Hanchett commented.

(2:12:27) A motion was made to approve Item 5D consideration of approval of the contract amendment for management services for Grace Environmental Services.

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/0

Absent: 0

Roll Call: Kellas: Yes

Giacoletti: Yes

Carson: Yes

de la Rosa: Yes

**E. AUTHORIZATION FOR DUDEK ENGINEERING TO COMPLETE THE COASTAL HAZARD RESPONSE PLAN (CHRP) PROPOSAL NOT TO EXCEED THE AMOUNT OF \$110,000.00. (2:13:28)**

(2:13:50) Chairperson Kellas recused herself.

(2:14:03) Vice-Chairperson Giacoletti asked for Charlie Grace to present this item. Cortney Murguia stated that Charlie Grace had not returned to the meeting. Jeff Oliveira introduced the item.

(2:18:24) Jeff Oliveira clarified that the amount should be \$110,000.00 not \$100,000.00.

(2:19:25) Jeff Oliveira clarified the grant process and funding process related to the Coastal Hazard Response Plan (CHRP).

**Public Comment –**

(2:21:42) Julie Tacker commented.

(2:25:26) Henry Krzciuk commented.

(2:28:55) Michael Hanchett commented.

(2:30:20) Director de la Rosa commented that based on the size of the community any relocation would end up being close to someone's home.

(2:31:23) Director Carson stated that modern sewer plants do not smell and with newer technology people often do not know where the plants are located.

(2:32:17) A motion was made to authorize Dudek Engineering to complete the proposal not to exceed the amount of \$110,000.00.

Motion: Vice-Chairperson Giacoletti  
2nd: Director Carson  
Vote: 3/0  
Recused: Kellas

Roll Call: Giacoletti: Yes      Carson: Yes      de la Rosa: Yes

(2:34:16) Jeffrey Minnery spoke regarding item 5D asking if the Board had any objections on coordinating with Chairperson Kellas to provide a response to the District Attorney's letter. A consensus was reached by three (3) Board members. (Giacoletti, Carson, de la Rosa)

**F. DISCUSSION ON PROCEDURE TO FILL THE VACANCY ON THE SAN SIMEON COMMUNITY SERVICES DISTRICT CREATED BY THE RESIGNATION OF DIRECTOR WILLIAM MAURER; DIRECTION TO STAFF TO POST NOTICE OF VACANCY PURSUANT TO GOV'T CODE 1780; SCHEDULE MEETING AT WHICH CANDIDATES WILL BE CONSIDERED AND THE APPOINTMENT MADE. (2:34:47)**

Chairperson Kellas introduced the item.

**Public Comment – None**

(2:36:10) A motion was made to direct staff to go follow the appointment process to fill the vacant director position and post the appropriate notices.

Motion: Chairperson Kellas  
2nd: Director Carson  
Vote: 4/0  
Absent: 0

Roll Call: Kellas: Yes      Giacoletti: Yes      Carson: Yes      de la Rosa: Yes

**F. CLOSED SESSION: - (2:37:20)**

**Public Comment –**

(2:38:10) Henry Krzciuk commented.

**A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1))**

**Name of case: Robert Hather v. San Simeon Community Services District**

**\*\*\*\*RECONVENE TO OPEN SESSION\*\*\*\***

**Report on Closed Session (20 minutes)**

Director present: Kellas, Giacoletti, and de la Rosa (quorum)

Director Carson recused himself

**G. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS –None**

**H. ADJOURNMENT – @ 8:20 PM**