

SQUIRE CANYON COMMUNITY SERVICES DISTRICT

1 Squire Road, San Luis Obispo, California 93401

(805) 227-6392

www.squirecanyonsd.com

AGENDA FOR REGULAR BOARD OF DIRECTORS MEETING

Tuesday, April 4, 2017, 7:30 PM

Avila Beach Community Center, 191 San Miguel Street, Avila Beach, California

1. CALL TO ORDER:

2. ROLL CALL:

Board Members

Ralph Gorton, President
Steve Fiant, Vice President
Lara Lehmer, Director
Tim Tillman, Director
Chris Johnson, Director

Staff

Brad Hagemann, GM

3. PUBLIC COMMENT:

Any member of the public may address the Board relating to any matter within the Board of Director's jurisdiction, provided that the matter is NOT on the Board's Agenda. Presentations are limited to three (3) minutes or otherwise at the discretion of the Board President. Please note that pursuant to the Brown Act, the Board of Directors can only take action on those items specifically listed on the Agenda.

4. CONSENT ITEMS:

These items are approved with one motion. Directors may briefly discuss any item, or may pull any item, which is then added to the business agenda.

- A. Approval of Minutes for January 3, 2017 meeting
- B. Review and Approval of Warrant Register
- C. Financial Report

5. MANAGER'S REPORT: CSDA Call for Nominations for Seat "C" on CSDA Board of Directors. Nominations are due by May 19, 2017. Special District Risk Management Authority (SDRMA) News: Property/Liability rates have been flat for past seven years, but will increase 10% for FY 2017/18; Longevity distribution credit of \$28; Renewal Questionnaire has been submitted on-line by the March 15 deadline and agency will receive \$150 incentive credit.

6. BUSINESS ITEMS:

- A. **Brush Trimming on Squire Canyon Road:** On August 30, 2016, the Board directed me to send a letter to the Nielsen Family at 380 Squire Canyon Road, requesting that they trim the shrubs back out of the road right and way and improve the site distance. Ms. Nielsen sent an email response dated September 4, 2016, stating that she has some physical limitations, but that she would try to make some progress on trimming back the shrubs. She did not give the CSD permission to do any trimming on her property. The District's August 30, 2016 letter and Ms. Nielsen's September 4, 2016, email response is provided as an attachment to this report. It is my understanding that the shrubs have again or still are limiting the site distance on this very narrow part of Squire Canyon

Road. By allowing the shrubs to grow in to the road right-of-way and limiting the site distance may make this section of Squire Canyon Road more unsafe and expose the District to potential legal actions. The Board should consider actions it could take to trim the shrubs and/or conduct some maintenance of this section of road that would ameliorate the potential hazards. Possible Board Action

- B. Consider Assembly Bill 2613 Alternative Financial Auditing Provisions:** Existing law requires every Special District to have an annual audit or if certain requirements are met, a biennial audit or audit performed every five years. AB 2613 created two new alternatives that could lower the costs related to audit requirements. The County Auditor issued a letter dated March 9, 2017, (attached) that describes the issue more thoroughly and encourages interested Districts to begin discussions with the County Auditor. GM Hagemann met with County staff on March 29, to discuss the options. Staff will discuss the options with the Board and get direction. Possible Board action.
- C. Rain Storm Road Damage & Needed Repair:** This year's winter storms have been well above average and have done some damage to the District's roads. This item is to discuss the damaged areas, consider repair options and determine the next steps. Possible Board Action.

7. **DIRECTOR/MANAGER COMMENTS:** This is the time for introduction of any items that the Directors may wish to consider for the next meeting or to ask questions of staff.
8. **ADJOURNMENT**
The next regular meeting will be held on Tuesday, July 6, 2017 at 7:30 pm at the Avila Beach Community Center, 191 San Miguel Street, Avila Beach, California.

Squire Canyon Community Services District
Board of Directors
1 Squire Canyon
San Luis Obispo, CA 93401
(805) 227-6392
www.squirecanyoncsd.com

January 3, 2017 Regular Meeting Minutes

Please Note: The Board meets quarterly. It is the policy of the District to post draft minutes to our web site prior to the next Board Meeting to provide information regarding issues and decisions made. ****If you would like to have your copy of the agenda sent electronically (via email), please contact the District General Manager, Brad Hagemann at hagemann.associates@gmail.com and request to be added to the electronic distribution list. All residents should be aware that agendas, minutes and all other documents are now readily available on the web site.**

These Minutes are in draft form therefore subject to Board approval at their next meeting: Tuesday, April 4, 2017 at 7:30 pm at the Avila Beach Community Center, 191 San Miguel in Avila Beach.

1. Call to Order: President Tillman called the meeting to order at 7:35 PM.

2. Roll Call: **Board Members present:** President Tim Tillman, Ralph Gorton, Steve Fiant, Lara Lehmer and Chris Johnson.

Staff present: Brad Hagemann, General Manager.

3. Public Comments: Three members of the public were in attendance. Mr. Swanson asked the Board members if they had heard if Cal Fire was planning on coming back into the Canyon to chip additional brush. No one had heard that Cal Fire was returning, but Director Fiant agreed to check with his Cal Fire contacts. There were no other public comments.

4. Consent Items:

Financials: GM Hagemann reported that as of December 31, 2016, the District had \$1,385.05 in the checking account and \$120,472.25 in the savings account. There were no questions regarding the check register

Board member Fiant moved to approve the consent agenda, Board member Lehmer seconded and motion carried unanimously.

5. Manager's Report: GM Hagemann administered the Oath of Office for Directors, Gorton, Fiant and Johnson. All three members signed the Oath and returned a signed copy for Hagemann to file with the County Clerk's office. Hagemann also mentioned that he is working with Robert Crosby, Certified Public Account, to file the District's Annual Financial Transactions Report with the State Controller's Office.

6. Business Items:

- A. **Coordination With Cal Fire Regarding Installation of Signage:** GM Hagemann introduced the item and summarized his understanding of sign installation. All Board members agreed that installing an "Evacuation Route" sign at the top of Indian Knob was a good idea in the event of a fire in the lower canyon. However, Board members also agreed that Cal Fire should provide better coordination in the future if/when they need to install new signage. No formal action was taken by the Board.
- B. **Update/Adoption of District By-Laws:** After some Board discussion and an opportunity for public comment, Director Fiant made a motion to adopt the By-Laws as presented in the agenda package. The motion was seconded by Director Gorton and the motion passed 5 – 0.

- C. **Other Opportunities for Managing the Road District:** Information Item – GM Hagemann quickly summarized the staff report in the agenda on the topic. After some Board discussion and input from one of the public members, the Board concluded that they did not want to explore other District Management options (such as a Home Owners Association), but would prefer to continue with the Community Services District type of management structure. On a related manner, Director Gorton suggested setting up a meeting with County Supervisor Hill's office to discuss the CSD in general and the matters that were important to the CSD. Director Gorton agreed to make the initial contact with Supervisor Hill's office.
- D. **Meeting Schedule for Calendar Year 2017:** GM Hagemann summarized the "first Tuesday" quarterly dates for Board meetings in 2017 (January 3, April 3, July 4 and October 3). The Board agreed to move the July 4th meeting to Thursday, July 6th due to the July 4th holiday. The 2017 Board meeting schedule was adopted by acclamation. GM Hagemann was directed to reserve the room for the above dates with the Avila Beach Civic Association Executive Director.
- E. **Election of Board Officers:** The Board members thanked President Tillman for his service as President of the Board these last two years and opened the nominations for Board President and Vice President. After some discussion and an opportunity for public comment, The Board elected, by acclamation, Director Gorton as President and Director Fiant as Vice President.

7. Director Comments: President Gorton asked the other Board members for suggestions on how the Board can get more representation/participation at the meetings by CSD members, with a special emphasis on ensuring both Squire Canyon and Indian Knob residents were represented. Extensive discussion followed, including the District's ability/responsibility to comment on local land use planning issues. Director Fiant reminded the Board that he attends the monthly Avila Valley Advisory Committee (AVAC) meetings and provides the Board an opportunity to discuss local issues with County Planning Department staff and elected officials.

Adjourn

There being no further business, the meeting was adjourned at 8:45 PM. The next regular meeting of the Squire Canyon Community Services District will be held on Tuesday, April 4, 2017, at 7:30 PM at the Avila Beach Community Center, 191 San Miguel Street, Avila Beach, CA.

APPROVED AS TO FORM:

Ralph Gorton
President, Board of Directors
Squire Canyon Community Services District

Respectfully submitted,



Brad Hagemann
General Manager/Secretary

Squire Canyon Community Services District
Warrant Register-Checking
January through March 2017

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Credit</u>
1000 · Cash Summary				
1004 · Checking-Heritage Oaks				
02/06/2017	766	Hayward Construction	Invoice # 2001	6,716.50
03/30/2017	767	SLO County Clerk Recorder	Nov. 8 2016 Election	505.77
03/30/2017	768	Crosby Company, CPA	Inv #50 2015/16 FTR	500.00
03/30/2017	769	Shipsey & Seitz	Acct. 10097-01M; Stmt 10...	792.00
03/30/2017	770	Hagemann and Associates	General Mgr Jan - Mar 2017	1,517.61
Total 1004 · Checking-Heritage Oaks				10,031.88
Total 1000 · Cash Summary				10,031.88
TOTAL				10,031.88

6:37 PM

03/29/17

Squire Canyon Community Services District

Check Detail

January through March 2017

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	766	02/06/2017	Hayward Constru...		1004 · Checking-...		-6,716.50
					5500 · Road Repai...	-3,577.50	3,577.50
					5500 · Road Repai...	-3,139.00	3,139.00
TOTAL						-6,716.50	6,716.50
Check	767	03/30/2017	SLO County Clerk...		1004 · Checking-...		-505.77
					5004 · Election Co...	-505.77	505.77
TOTAL						-505.77	505.77
Check	768	03/30/2017	Crosby Company,...		1004 · Checking-...		-500.00
					5030.01 · Auditor	-500.00	500.00
TOTAL						-500.00	500.00
Check	769	03/30/2017	Shipsey & Seitz		1004 · Checking-...		-792.00
					5030.03 · Legal Se...	-792.00	792.00
TOTAL						-792.00	792.00
Check	770	03/30/2017	Hagemann and A...		1004 · Checking-...		-1,517.61
					5030.04 · Manage...	-1,500.00	1,500.00
					5035 · Web Site E...	-17.61	17.61
TOTAL						-1,517.61	1,517.61

5:23 PM

03/29/17

Accrual Basis

Squire Canyon Community Services District

Profit & Loss

January through March 2017

	Jan - Mar 17
Ordinary Income/Expense	
Income	
4000 · Income Summary	
4001 · Assessments Collected	3,369.43
4005 · Interest Income	38.13
Total 4000 · Income Summary	3,407.56
Total Income	3,407.56
Expense	
5500 · Road Repair & Maintenance	6,716.50
Total Expense	6,716.50
Net Ordinary Income	-3,308.94
Net Income	-3,308.94

5:25 PM

03/29/17

Accrual Basis

Squire Canyon Community Services District

Balance Sheet

As of March 31, 2017

	Mar 31, 17
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash Summary	
1004 · Checking-Heritage Oaks	3,660.55
1005 · Savings-Heritage Oaks	114,899.96
Total 1000 · Cash Summary	118,560.51
Total Checking/Savings	118,560.51
Other Current Assets	
1300 · Prepaid Expenses	62.91
Total Other Current Assets	62.91
Total Current Assets	118,623.42
TOTAL ASSETS	118,623.42
LIABILITIES & EQUITY	
Equity	
3000 · Opening Balance Equity	38,749.85
3200 · Retained Earnings	70,438.96
Net Income	9,434.61
Total Equity	118,623.42
TOTAL LIABILITIES & EQUITY	118,623.42

SQUIRE CANYON COMMUNITY SERVICES DISTRICT

1 Squire Canyon Rd.
San Luis Obispo, CA 93401

August 30, 2016

Nielsen Family
380 Squire Canyon Rd.
San Luis Obispo, CA 93401

Dear Mr. and Mrs. Nielsen,

I don't believe we have had the pleasure of meeting, but I am Brad Hagemann, the relatively new General Manager for the Squire Canyon Community Services District. The former GM, Mr. John Eulberg moved out of the area last year and I came on board in July 2015.

I am writing to advise you that we have had several residents report to the Board that trees and shrubs on your property have grown in to the road right of way to the point that they are impairing the site distance and road use for residents.

The purpose of this letter is to request that you trim the shrubs back such that they no longer obstruct the road right of way and block the site distance.

I reviewing the District files, I noted that the District made a similar request in mid-2015 that I assume was resolved expeditiously.

Please let me know if you have any questions or concerns and I would be happy to meet with you to discuss.

Sincerely,



Brad Hagemann
General Manager

(805) 835-3163
Hagemann.associates@gmail.com



Bradley Hagemann <hagemann.associates@gmail.com>

Letter

1 message

Co Re <countryreading11144@gmail.com>
To: Hagemann.associates@gmail.com

Sun, Sep 4, 2016 at 4:49 AM

September 4, 2016

Mr. Hagemann
Squire Canyon CSD
General Manager

Dear Mr. Hagemann:

Thank you very much for your letter. It is too bad these "several residents" (anonymous of course) do not come to me directly and offer to help with the problem. They know we are senior citizens and do not get around very well. Apparently they like to complain but not help out. Great neighborhood!!!!

As you probably don't know, my husband who is in his 80's has full blown Alzheimers so can do nothing for himself and certainly cannot trim shrubs or trees back. I have to take care of him 24/7.

AND I have had a very serious neck problem for over 5 weeks which put me in the emergency room several times already and I can barely get out of bed and take care of my husband. I am undergoing brutal physical therapy for the condition and am scheduled to see the neurosurgeon for the second time in a couple of weeks with the very possible chance of surgery.

If you can have some patience and my surgery is successful and I have had time to fully recover, I will try and do a little trimming a little at a time when the doctor gives me the okay. I will try my best but will NOT sacrifice my health for some bushes. People DO NOT drive at the speed limit. Maybe if they did, my bushes would not be a problem.

In the meantime I will try to find a friend or laborer who could help me out and cut some back. Obviously it won't be any of my "good" neighborly residents. They seem to want to complain and not help out. Too bad.

You DO NOT have our permission to do any trimming on our property. As you probably have never been told, although I have been telling the CSD board for the whole time they have been in existence, our fence is fully 3 feet OUTSIDE the road easement. The road was installed on our property illegally and in the wrong place. You certainly can grade and put the road in the proper position if you so desire which would start in the middle of the creek and go 15 feet our way and 15 feet the southerly neighbor's way.

I do not desire to meet with you. In the past it has never worked out. It seems like it is either the CSD's way or the highway. It just seems that this is just another way to hassle the Nielsens. Don't worry, my husband is close to expiring and maybe me too. So maybe you won't have to wait long for a new owner so they can do what you want.

Also, I know that nothing ever gets passed down from one CSD Manager or CSD Director to the next one in line. BUT WE HAVE A "NO SPRAY POLICY" on our property - the whole length of it from under the former Priest's house property line to the Cziraki property line.

Thank you very much for your patience and understanding.

Nancy Nielsen



COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX COLLECTOR

1055 MONTEREY ST. RM. D290
SAN LUIS OBISPO, CA 93408
(805) 781-5831 • FAX (805) 781-5362
<http://sloacttc.com>

JAMES P. ERB, CPA

Auditor-Controller
Treasurer-Tax Collector

James W. Hamilton, CPA
Assistant

March 9, 2017

Dear Special District:

With the passage of Assembly Bill 2613, effective January 1, 2017, changes have been made to Government Code Section 26909 which covers special district audits. Existing law requires every special district to have an annual audit or if certain requirements are met, a biennial audit or audit performed every five years.

AB2613 created two new alternatives that will potentially lower the costs related to audit requirements, while maintaining proper financial oversight and accountability.

The new options allow special districts to replace audits with financial reviews, agreed-upon procedures, or financial compilations if all the following requirements are met:

- 1) All of the special district's revenues and expenditures are transacted through the County's financial system,
- 2) The special district's annual revenues do not exceed \$150,000, and
- 3) Both the special districts' governing board and the County Board of Supervisors unanimously approve.

If a district chooses the financial compilation option, no more than five consecutive financial compilations may be performed without conducting a year audit.

Please note, the above new options expire January 1, 2027 unless further legislative action is taken.

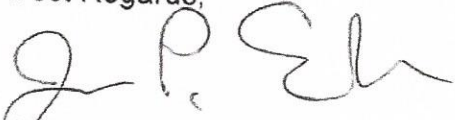
The following provisions of the law have not changed:

- The County Auditor must ensure an audit (or alternative) is conducted of every special district within the County by a CPA.
- The audit (or alternative) must be performed in accordance with GAAS and other professional standards as recommended by the Auditor-Controller.
- Reports are due within 12 months of fiscal year-end.

If your district is interested in adopting one of the new provisions, we encourage you to begin discussions with your external auditor and the County Auditor-Controller-Treasurer-

Tax Collector's Office as soon as possible. Questions or requests may be directed to Kerry Bailey, Chief Internal Auditor, at kbailey@co.slo.ca.us or 788-2979.

Best Regards,

A handwritten signature in black ink, appearing to read "J. P. Erb", written in a cursive style.

Jim Erb, CPA

Auditor-Controller-Treasurer-Tax Collector