

**SQUIRE CANYON COMMUNITY SERVICES DISTRICT**

1 Squire Road, San Luis Obispo, California 93401

(805) 835-3163

[www.squirecanyoncsd.com](http://www.squirecanyoncsd.com)

**AGENDA FOR REGULAR BOARD OF DIRECTORS MEETING**

**Tuesday, April 2, 2019, 7:30 PM**

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

**1. CALL TO ORDER:**

**2. ROLL CALL:**

**Board Members**

Steve Fiant, President  
Mike Nunno, Vice President  
Fernando Campos, Director  
Keith Faleros, 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 act 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 8, 2019 Regular Meeting
- B. Review and Approval of Warrant Register
- C. Financial Report

**5. MANAGER'S REPORT:** Form 700s are due to the County Clerk's office in early April for Calendar year 2018. Please complete form on-line per County Clerk's office instructions or complete forms at the meeting. SDRMA Renewal Questionnaire complete. SDRMA Rates for FY 2019/20. Staff continuing to work with Crosby Co. to complete delinquent audits. Completed and submitted Govt Compensation Report to State Controllers Office.

**6. BUSINESS ITEMS:**

- A. **Cal Fire Grant Opportunities:** President Fiant contacted Cal Fire Chief Paul Lee and invited him to attend the meeting to discuss the process for applying for a Fire Safe Counsel Grant for brush/tree clearing. Possible board action.
- B. **Road Repair and Maintenance:** Status Report on Repair and Maintenance Projects and Board Consideration of New Projects. Possible board action.
- C. **Assessment Rates for FY 2019/20:** Establish assessment rates for Fiscal Year 2019/2020. General Manager recommends normal 2% increase. 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 2, 2019, at 7:30 pm at the Avila Beach Community Center.

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

**January 8, 2019 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](mailto:hagemann.associates@gmail.com) and request to be added to the electronic distribution list.**

These Minutes are in draft form and subject to Board approval at their next meeting.

**1. Call to Order:** President Fiant called the meeting to order at 7:34 PM.

**2. Roll Call: Board Members present:** President Steve Fiant, Vice President Mike Nunno, Director Lehmer, Director Johnson and Director Tim Tillman.

**Staff present:** Brad Hagemann, General Manager, Legal Counsel Mike Seitz attended the meeting via telephone

**Director Fernando Campos and Director Keith Faleros to the Oath of Office**

**3. Announcement of Closed Session:** Mr. Seitz announced the Board would go in to closed session and asked if there were any public comments on closed session, there were none. The Board returned from closed session at approximately 8:15 PM and reported that the Board had voted 3-0 with one abstention to ratify the draft agreement prepared by the District's legal counsel and Ms. Nielsen's legal counsel. Seitz noted that the Agreement will essentially recognize the boundaries established in the Lupenik/Nielsen Agreement that was recorded prior to the formation of the CSD. The Board directed Seitz to contact Ms. Nielsen's legal counsel and complete the execution of the Agreement.

**4. Public Comments:** No Public Comment

**5. Consent Items:**

- A. Approval of Minutes for October 2, 2018 Regular Board meeting
- B. Review and Approval of Warrant Register
- C. Financial Report

Financials: GM Hagemann reported that as of January 8, 2019, the District had \$9868.76 in the checking account and \$85,953.21 in the savings account. The Board directed GM Hagemann to re-classify the legal expenses associated with the Nielsen Agreement from the "Zone 3 Administration" class to the "Zone 2 Squire Canyon Rd" class.

After an opportunity for public comment, Director Nunno moved to approve the consent agenda, Board member Fiant seconded and motion carried unanimously 5-0.

**6. Manager's Report:** GM Hagemann noted that he had executed an agreement with the Avila Civic Association for the CSD to become a member of the Association which will provide the CSD a significant discount on the facility rental (first hour free) for the quarterly Board meetings.

**7. Business Items:**

- A. **Road Repair/Maintenance Items:** The Board discussed the proposed maintenance work on Indian Knob Road for cleaning the road "gutters" as presented in a proposal from Hayward Construction

Company. After Board discussion the Board decided to hold off on taking any action on this item. However, the Board did want to work with Hayward Construction on a previously approved project to install a retaining wall below the Matteson. The Board also decided to take action on doing some crack sealing and pot hole repair work on both Squire Canyon and Indian Knob road. President Fiant made a motion to retain Hayward Construction for an amount not to exceed \$6,000 for crack seal and pot hole repair; VP Director Nunno seconded and after an opportunity for public comment the motion carried 5-0. The Board also discussed weed spraying along the roads and the need for tree trimming. Board members noted that some residents do not want their property sprayed with an herbicide. The Directors agreed to seek quotes for this type of work and bring it back for consideration at a future meeting.

**B. Speed Limit Signage Within the District Roads:** This item was initially discussed at the October 2018 Board meeting and the Board decided to bring the item back for further consideration at the January 2019 meeting. After some discussion and an opportunity for public comment the Board decided to not add any additional speed limit signage along the District maintained roads.

**C. Consider Special Assessment and/or Consider Seeking State Federal Financing to Provide Significant Upgrades to District Roads:** This item was also initially discussed at the October 2018 Board meeting and the Board decided to bring the item back for further consideration at the January 2019 meeting. After further discussion and an opportunity for public comment the Board decided not to seek any types of loans for major road repair at this time.

**8. Director Comments:** No additional comments

**Adjourn**

There being no further business, the meeting was adjourned at 9:20 PM. The next regular meeting of the Squire Canyon Community Services District will be held on Tuesday April 2, 2019, at 7:30 PM at the Avila Beach Community Center, 191 San Miguel Street, Avila Beach, CA.

APPROVED AS TO FORM:

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Steve Fiant  
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 9 through April 2, 2019

Date	Num	Name	Memo	Credit
<b>1000 · Cash Summary</b>				
<b>1004 · Checking-Heritage Oaks</b>				
04/02/2019	799	NDIC Inc.	Invoice #18782	150.00
04/02/2019	800	Crosby Company, CPA	Inv #1069 2017/18 FTR	750.00
04/02/2019	801	SLO County Clerk Recorder	Nov. 6 2018 Election Charges	304.00
04/02/2019	802	Shipsey & Seitz	Statement # 109737 & 109722; 2/28/19 & 1/31/19	1,038.40
04/02/2019	803	Stephen Fiant	Reimbursement for Emergency Road Repairs	5,336.65
04/02/2019	804	Hagemann and Associates	General Mgr Jan - Mar 2019 Inv # 1052	1,500.00
Total 1004 · Checking-Heritage Oaks				9,079.05
Total 1000 · Cash Summary				9,079.05
<b>TOTAL</b>				<b>9,079.05</b>

**Squire Canyon Community Services District**  
**Balance Sheet by Class**  
As of April 2, 2019

	1-ZONE 1, INDIAN KNOB	2-ZONE 2, SQUIRE CANYON	3-ZONE 3, ADMINISTRATIVE	TOTAL
<b>ASSETS</b>				
Current Assets				
Checking/Savings				
1000 · Cash Summary	8,728.39	-12,419.44	4,480.76	789.71
1004 · Checking-Heritage Oaks	-11,000.49	19,459.10	79,926.69	88,385.30
1005 · Savings-Heritage Oaks				
Total 1000 · Cash Summary	-2,272.10	7,039.66	84,407.45	89,175.01
Total Checking/Savings	-2,272.10	7,039.66	84,407.45	89,175.01
Total Current Assets	-2,272.10	7,039.66	84,407.45	89,175.01
<b>TOTAL ASSETS</b>	<b>-2,272.10</b>	<b>7,039.66</b>	<b>84,407.45</b>	<b>89,175.01</b>
<b>LIABILITIES &amp; EQUITY</b>				
Equity				
3000 · Opening Balance Equity	13,582.35	14,714.19	10,390.40	38,686.94
3200 · Retained Earnings	40,582.78	48,515.60	-29,997.23	59,101.15
Net Income	-7,212.98	-360.03	-1,040.07	-8,613.08
Total Equity	46,952.15	62,869.76	-20,646.90	89,175.01
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>46,952.15</b>	<b>62,869.76</b>	<b>-20,646.90</b>	<b>89,175.01</b>
<b>UNBALANCED CLASSES</b>	-49,224.25	-55,830.10	105,054.35	-0.00



**Shire Canyon Community Services District**  
**Income & Expenditures**

January 9 through April 2, 2019

	1-ZONE 1, INDIAN KNOB	2-ZONE 2, SQUIRE CAN...	3-ZONE 3, ADMINISTRA...	TOTAL
Ordinary Income/Expense				
Income				
4000 · Income Summary				
4001 · Assessments Collected	894.66	967.21	556.15	2,418.02
4005 · Interest Income	0.00	0.00	14.07	14.07
<b>Total 4000 · Income Summary</b>	<b>894.66</b>	<b>967.21</b>	<b>570.22</b>	<b>2,432.09</b>
<b>Total Income</b>	<b>894.66</b>	<b>967.21</b>	<b>570.22</b>	<b>2,432.09</b>
Expense				
5000 · Administrative Overhead				
5004 · Election Costs	0.00	0.00	304.00	304.00
5030 · Professional Fees				
5030.01 · Auditor	0.00	0.00	750.00	750.00
5030.03 · Legal Services	0.00	1,038.40	0.00	1,038.40
5030.04 · Management	0.00	0.00	1,500.00	1,500.00
<b>Total 5030 · Professional Fees</b>	<b>0.00</b>	<b>1,038.40</b>	<b>2,250.00</b>	<b>3,288.40</b>
5035 · Web Site Expense	0.00	0.00	150.00	150.00
<b>Total 5000 · Administrative Overh...</b>	<b>0.00</b>	<b>1,038.40</b>	<b>2,704.00</b>	<b>3,742.40</b>
5500 · Road Repair & Maintenance	5,336.65	0.00	0.00	5,336.65
<b>Total Expense</b>	<b>5,336.65</b>	<b>1,038.40</b>	<b>2,704.00</b>	<b>9,079.05</b>
<b>Net Ordinary Income</b>	<b>-4,441.99</b>	<b>-71.19</b>	<b>-2,133.78</b>	<b>-6,646.96</b>
<b>Net Income</b>	<b>-4,441.99</b>	<b>-71.19</b>	<b>-2,133.78</b>	<b>-6,646.96</b>



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

1112 I Street, Suite 300  
Sacramento, California 95814-2865  
T 916.231.4141 or 800.537.7790 • F 916.231.4111

Maximizing Protection. Minimizing Risk. • [www.sdrma.org](http://www.sdrma.org)

January 30, 2019

Mr. Brad Hagemann  
General Manager  
Squire Canyon Community Services District  
1 Squire Canyon Road  
San Luis Obispo, California 93401-8000

Dear Mr. Hagemann,

Annually, SDRMA requires agencies to complete and submit a Renewal Questionnaire. This information is very important to us, and your participation in providing updated, accurate and timely information ensures our members will receive the highest quality coverage at the lowest possible cost.

The 2019-20 Renewal Questionnaire (RQ) will be available February 1 in the MemberPlus™ Online portal at [www.sdrma.org](http://www.sdrma.org) (click on Member Login at the top of any page on our website). For member convenience, a copy of the RQ can be viewed or printed while online, and important online instructions can be viewed or printed for each section. To ensure proper coverage, please review all information to ensure that it is complete, accurate and current. Please contact our office if you do not have internet access and are unable to complete and submit the RQ electronically.

**New for 2019-20 – Effective July 1, 2019, scheduled property values will automatically be “trended” based on specific inflationary factors provided by Marshall & Swift. Properties added during the current policy or appraised within the last year will be exempt from this process. For your convenience, each scheduled item report will be available in the RQ for review and confirmation that the information on file is correct.**

Please review the enclosed checklist along with additional information including key dates for 2019 and current Credit Incentive Program criteria and status. Members considering withdrawal from the Property/Liability Program are required to submit a "Notice of Intent to Withdraw" according to SDRMA Bylaws by April 1 or the notice will not be valid.

The RQ may be completed and submitted electronically by Friday, February 15, 2019 to receive a \$75 incentive credit on your 2019-20 renewal invoice. However, the RQ must be completed and submitted electronically by March 1, 2019 in order to ensure complete accuracy in coverage.

On behalf of the SDRMA Board of Directors and our entire risk management team, thank you for completing this annual information requirement! Please do not hesitate to contact Member Services at [memberplus@sdrma.org](mailto:memberplus@sdrma.org) 800.537.7790 for assistance.

Sincerely,  
Special District Risk Management Authority

Laura S. Gill  
Chief Executive Officer

February 22, 2019

Mr. Brad Hagemann  
General Manager  
Squire Canyon Community Services District  
1 Squire Canyon Road  
San Luis Obispo, California 93401-8000

RE: 2019-20 Property/Liability Program Rate Information

Dear Mr. Hagemann,

On behalf of the Special District Risk Management Authority (SDRMA) Board of Directors, we sincerely appreciate your safety/loss prevention efforts and continued support of SDRMA.

SDRMA continues to make every effort to reduce operating costs and minimize rate increases while ensuring the financial integrity of the Property/Liability Program. Unfortunately, due to catastrophic fires within California and increasing liability court judgements, our excess carriers are imposing a rate increase on all their clients, including SDRMA. Based on those factors and overall pool claims costs over the past several years, after considerable review and discussion on February 6, 2019, the Board approved a 5% increase for the liability rates and a 11% increase for property rates for 2019-20. This increase will still leave a revenue shortfall that will require the use of reserves and investment income to fully fund the program.

Also, after intensive pricing review, the Board approved a change to the calculation of the Volume Discount that is applied to Property, Mobile Equipment and Auto Liability. SDRMA will no longer use a member's general liability contribution as a factor in determining the percentage of Volume Discount given.

New for 2019-20, as communicated in the Renewal Questionnaire packet, effective July 1, 2019, scheduled property values (building and contents) were automatically "trended" based on specific inflationary factors provided by Marshall & Swift. Properties added during the current policy or appraised within the last year were exempt from this process.

In addition, your agency's actual contribution amount for 2019-20 may vary compared to 2018-19 due to the rate increases, any coverage limit changes, outside policy pricing, scheduled item additions/deletions, risk factor adjustments and Credit Incentive Program (CIP) points earned.





SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

*Other Important Items to Note:*

- No Longevity Distribution is declared for the Property/Liability Program this year.
- Our Multi-Program Discount provides members a great opportunity to save money. Members receive an automatic multi-program discount of 5% per program (Property/Liability and Workers' Compensation) while they belong to both programs.
- SDRMA's Spring Education Day/Annual Membership Meeting is Tuesday, March 26 at the Hilton Sacramento Arden West Hotel and is FREE to SDRMA members including meals. For more information, please visit our website at [www.sdrma.org](http://www.sdrma.org) and click on "Register for a Training Workshop" on the right side of the page.
- Your annual contribution provides your agency with access to safety and loss prevention services, resources, and trainings that are provided at no additional cost, including Target Solutions, AB 1825/AB 1234 training, ergonomic assessments, and safety DVDs.
- Members considering withdrawal from coverage with SDRMA for the 2019-20 program year are required to submit a "Notice of Intent to Withdraw" by April 1 in accordance with SDRMA Bylaws.

On behalf of the Board of Directors and our entire risk management team, we thank you for your continued participation in our programs! If you have any questions, please contact Heather Thomson, Chief Financial Officer at [hthomson@sdrma.org](mailto:hthomson@sdrma.org) or 800.537.7790.

Sincerely,  
Special District Risk Management Authority

Mike Scheafer, President  
Board of Directors