



SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
August 18, 2016 SPECIAL MEETING MINUTES

MEETING HELD AT DISTRICT OFFICES
1150 MISSION STREET
SAN MIGUEL, CA 93451

I. Call to Order:

Meeting called to order by President Green at 6:04 PM

II. Pledge of Allegiance:

Director Buckman asked to lead the Pledge of Allegiance.

III. Roll Call: Directors Present: Buckman, Dawes, Green and Reuck. Absent: Kalvans

District Staff Attending: General Manager Gentry and District General Counsel Schweikert

III. Adoption of Special Meeting Agenda

Director Buckman made a motion to adopt Special Meeting Agenda as presented, Seconded by Director Reuck. Motion was approved by voice vote of 4 AYES, 1 ABSENT and 1 NOES.

IV. Public Comment and Communications (for items not on the agenda):

There were no public requests or persons wishing to speak to the Board.

President Green announced the Closed Session and adjourned at 6:08 PM

VI. ADJOURN TO CLOSED SESSION:

A. CLOSED SESSION AGENDA:

**1. CONFERENCE WITH DISTRICT GENERAL COUNSEL—Anticipated
Litigation**

Pursuant to Government Code Section 54956.7 (2) (d) (2 case)

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b) (1):

Title: General Manager

B. RECONVENE TO OPEN SESSION

President Green reconvene to open session at 6:56 PM and announced a short recess. President Green called meeting back to order at 7:00 PM. He requested General Counsel to report out of Closed Session.

C. REPORT OUT OF CLOSED SESSION

3. District General Counsel stated that there was no reportable action out of Closed Session

VII. Call to Order for Special Board Meeting – OPEN SESSION

President Green announced that now is the time for any person to address the Board on any item or ask any questions.

VIII. Public Comment and Communications:

There were no public requests or persons wishing to speak to the Board.

IX. BOARD ACTION ITEMS:

4. Review and Discuss **Resolution No. 2016-22** adopting the FY 2016-17 Operations and Maintenance Budget and approving for planning purposes the FY 2017-18 O & M Budget.

President Green asked General Manager and Director Dawes to introduce this continued action item for meeting discussions. Director Dawes, Chair of Finance & Budget Committee began by pointing the need to answer fundamental questions of: what does the Board want to do: trim the budget, balance the budget or dealing with realistic numbers of expenses vs incomes. He pointed out the need, in spite of what is ultimately to be done with the budget, it is apparent that a rate study needs to be done in very near future. Director Dawes also pointed out that, in meetings with GM, the figures have been reviewed thoroughly and adjusted for this discussion.

GM Gentry pointed out where specific changes were made. Even with these changes, the fiscal budget remains out of balance due to extraordinary legal expenses and will require use of capital reserves to balance the O & M budget. The budget still allocates funding to vehicle replacement, capital reserve and investment which will be done by separate Board action after the budget is finally adopted. Staff is recommending that the Board approve the fiscal budget if all questions or changes have been made and are ready to be accepted. If the Board does want to approve the budget, as presented, this evening, then a resolution is attached with the written staff report on the FY 2016-17 and 2017-18 budgets.

Board continued its discussion of proposed budget and changes. Several comments were made about the ongoing Steinbeck lawsuit against the District and the impacts arising from having to divert financial resources. GM pointed out that this diversion results in diminished ability to financially support infrastructure improvements or address deferred maintenance improvements.

There was additional discussion about request in budget for additional staffing. Director Dawes pointed out that GM had provided supplemental statement for part time positions in Utility Services and Administration Departments. He believes there will be reasons to consistently monitor and track expenses. He also believes the budget needs to be adopted.

President Green stated that he is not entirely convinced about the need but could only see the need, at most, being part-time positions.

Directors Buckman and Kalvans both point out the need to adopt a budget. The requested positions are being proven to be needed. Both members commented about the extraordinary legal expenses and regretted this restriction when the District has some much more to be done for infrastructure improvements, expansion of treatment plant and other items.

President Green asked for a voice vote to continue this item until the next scheduled Board meeting before seeking additional public comment or Board action. All Board members present unanimously voted to continue this item.

5. Review and Discuss approving Resolution No. 2016-28 adopting Proposed Timekeeping Policy and Guidelines

President Green asked General Manager to introduce this action item for discussion.

General Manager gave a brief summary of the written staff report in the packet. He stated that this policy is necessary to establish policy for implementing the new timekeeping system for non-management employees. GM reviewed the policy guidelines as presented. These guidelines were reviewed by O & P Committee at its July meeting.

President Green asked if there were any Board questions. There were none. President Green asked to modify Policy #2 to add “or approved necessary absences or appointments” to this statement. There was brief discussion by Board about whether or not the present language would cover such “approved absences or appointments”.

Board members present agreed that including the additional language could aid in clarifying the intent and purpose of getting approvals, in advance, for absences or appointments.

President Green asked if there were any requests by the public to speak on this item. There were none.

Director Reuck made a motion to approve Resolution 2016-28 adopting District Timekeeping Policy and Guidelines with a modification to Policy #2 statement as discussed, Seconded by Director Dawes. Motion was approved by a roll call vote of 4 AYES, 0 NOES and 1 ABSENT.

X. BOARD COMMENT:

President Green asked if there were any Board comments.

Director Dawes asked that if any Board member has any suggested budget changes then speak with GM or himself. He again asked that Board members take into consideration the need for get a rate study started and completed as soon as possible. The budget, this year, is clearly pointing to this action as an immediate need.

No other Director had comment.

President Green asked GM to schedule a noontime Closed Session for August 26th Board Meeting and also keep the annual audit discussion on agenda for next meeting. Also asked GM to include the future agenda listing for Board members. He also asked if the O & P Committee agenda for next meeting could include a report on District assets inventory and identification practices. He asked GM to check with Director Kalvans about his availability for O & P Committee meeting.

XI. ADJOURNMENT:

President Green adjourned the meeting at 8:58 PM.

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