

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
NOVEMBER 15, 2018 REGULAR MEETING MINUTES

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

- I. Meeting Called to Order by President Green – 6:30 P.M.
- II. Pledge of Allegiance lead by Director Buckman.
- III. **Roll Call:** Directors Present: Green, Buckman, Kalvans, Sangster, Parent
District Staff in attendance: Rob Roberson, Tamara Parent, Kelly Dodds, Paola Freeman,
District General Counsel Seikaly and District Engineer Dr. Blaine Reely
- IV. **Adoption of Regular Meeting Agenda:**

Motion by Director Sangster to adopt Regular Meeting Agenda.

Seconded by Director Kalvans Motion was approved by Vote of 5 AYES and 0 NOES
and 0 ABSENT
- V. **ADJOURN TO CLOSED SESSION:**
Closed Session convened at 6:31 p.m.
 - A. **CLOSED SESSION AGENDA:**
 1. **CONFERENCE WITH DISTRICT GENERAL COUNSEL – Existing Litigation**
Pursuant to Government Code Section 54956.9 (d)(1) Case: *Steinbeck v. City of Paso Robles, Santa Clara County Superior Court Case No. 1-14-CV-265039* and Case: *Eidemiller v. City of Paso Robles, Santa Clara County Superior Court Case No. 1-14-CV-269212*
 2. **CONFERENCE WITH LABOR NEGOTIATORS** (Pursuant to Government Code Section 54954.5(f) and Government Code Section 54957.6)
District Representatives: District General Counsel, Director Kalvans, and Director Green.
Unrepresented Bargaining Units: Non-Management Non-Confidential Unit and Non-Management Confidential Unit

VI. Call to Order for Regular Board Meeting/Report out of Closed Session: 7:00 P.M.
Report out of closed session by District General Counsel Seikaly. Direction was given to staff.

VII. Public Comment and Communications for matters not on the Agenda: None

At his time Director of Utilities Kelly Dodds asked board for consensus to move Board Action Item XI-1 forward because Mrs. Flores from Peoples Self Help Housing was present and did not want her to have to sit through the Wastewater Expansion Presentation. Voice Vote taken with consensus of the Board to hear Board Action Item XI-1.

1. Review and discuss request from People Self Help Housing to accept connection fees based on the prior rates as opposed to the connection fees effective July 1st, 2018.

Item presented by Director of Utilities Kelly Dodds with reading aloud the staff report and the background information and explained that it was a discussion item that the Board needed to give staff directions with consensus.

Board Comment: Director Sangster asked for clarification. It was explained that they had paid for 56 lots and three lots still needed to be paid.

Director Buckman explained the background from the bank and the liens on the property. Director Kalvans voiced that that he appreciated the PSHH and asked how these homes got left out? Director of Utilities Kelly Dodds, explained that it is a land use and tract map change. The issue is with the original agreement and the plan was for 56 and then changed to 60 by the developer.

Director Green voiced that he is worried about another tract that would like to have the same lower rate.

District General Counsel Seikaly voiced that the District could offer a payment plan for the developer. Mrs. Flores voiced that, that would not be of any help to them.

Director Parent voiced that Peoples Self Help House got a 60% discount on connection fees and feels that they got an amazing deal.

Public Comment: Mrs. Flores, Vice President of Home Ownership for Peoples Self Help Housing explained that Mr. Dodds is very reliable and that he did contact her. Mrs. Flores voiced that Mr. Dodds was supposed to informed her if the connection fees did go up and feels that she did not get enough notice from the District and asked that the District hold the last three lots at the previous cost of \$18,272.00. Mrs. Flores voiced that the additional cost might make it so some of the applicants would not qualify.

Nanette Roe, San Miguel resident voiced that the new connections fees were posted for consideration at the fist Rate Study meeting and has been on the District website.

Motion by Director Buckman to keep Connection Fee at the July 1st, 2018 cost.

Seconded by Director Parent. Motion was approved by Vote of 4 AYES and 1 NOES and 0 ABSENT.

VIII. Special Presentations/Public Hearings/Other:

1. **Presentation of the Engineering study for the expansion of the wastewater treatment plant and potential for basin recharge Powerpoint by District Engineer Blaine Reely- see link**
<https://www.sanmiguelcsd.org/files/302e2a676/SMCSD+Board+Presentation.pdf>

Board Comments: Directors asked questions throughout presentation. Discussion ensued. Director Kalvans asked about the effluent and the sales of the treated water to the vineyards.

Director Sangster asked if the District would be still work with SLO energy watch to try and reduce the facilities energy consumption.

Director Kalvans asked if there is an estimate on how much the new facilities energy consumption might be and at what point do we relook at solar. District engineer explained that they do not know those number yet.

Director Kalvans asked about the option of having the vineyard owners pay for some of the facility. District Engineer explained that we can't have them pay for the facility, but we can get a long-term agreement with the vineyards to commit to the purchase of effluent for a set price and that will help with finances and loans.

Director of Utilities Kelly Dodds explained that these are all estimates at this time, and the Board needs to keep that in mind. Discussion ensued about selling effluent water to vineyards and were the turn out for the recycled water might be located.

Public Comment: Laverne Buckman San Miguel Resident asked how the study and report done by WSC would play into this new facility (PGE and SLO energy watch) Director of Utilities Kelly Dodds explained that the study was free to the district and was before the state mandated that we replace the wastewater facility and is no long viable. It was explained that the new plant will be using more energy and that the District will still be working with SLO energy watch.

Director Green asked if anyone else had any questions. None

IX. STAFF & COMMITTEE REPORTS:

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| 1. San Luis Obispo County Sheriff | No Report |
| 2. San Luis Obispo County Board of Supervisors | No Report |
| 3. San Luis Obispo County Planning and/or Public Works | No Report |
| 4. San Miguel Area Advisory Council | No Report |
| 5. Camp Roberts—Army National Guard (LTC Kevin Bender) | No Report |
| 6. Interim General Manager: Interim General Manager/ Fire Chief Rob Roberson, was absent due to being at the Camp fire in Paradise, California. | |

Board Clerk spoke about the December Board meeting and the Budget adjustments. The San Miguel is compliant with AB 2257 that goes into effect on January 2019.

Board Comment: Director Green voiced that he would like to have the budget adjustments as soon as possible.

Public Comments: Laverne Buckman asked about the meeting that she thought the district was having to understand what budget adjustment were and it was explained that the district is closes to having the FY17-18 Audit done, and that those numbers are needed before the district has a special financial meeting.

7. **District General Counsel:** Presented by District Counsel Seikaly ChurchwellWhite, LLC. Doug and Barbara will be in person at the December Meeting.

Board Comments: Director Green asked why they would be here. District Counsel Seikaly voiced that it would be to onboard the new board of director. Discussion ensued. Director Kalvans asked if Counsel could give an update to the board of Directors about the 2018 Mount Lemmon Fire District v. Guido Superior court decision? District Counsel Seikaly asked that Director Kalvans send her an email and she could get familiar with the ruling.

Public Comments: None

8. **District Engineer:** Written report submitted as is. Blaine Reely voiced that all additional information was in presentation.

Board Comments: None

Public Comment: None

9. **Director of Utilities:** Written report submitted as is. Director of Utilities Kelly Dodds asked for any questions and explained the Wastewater Treatment report was incorporated into his Utilities staff report. Mr. Dodds updated the Board that the Jetter is being shipped and will arrive in a couple weeks.

Board Comment: None

Public Comments: Laverne Buckman San Miguel Resident asked that the connection numbers in his report be rechecked, they did not add up right. Mr. Buckman asked that the Board look at the sewer connections that are available to be connected to the San Miguel sewer system.

Nanette Roe San Miguel Resident asked about the cross connection at her residence.

10. **Fire Chief:** Fire Chief Rob Roberson, is absent because he is at the Camp fire in Paradise California.

Board Comments: None

Public Comment: None

X. **CONSENT ITEMS:**

Director Kalvans asked that the Board vote on items separately due to his absents last board meeting. Consensus of the Board was to allow separate votes.

1. **Review and Approve Board Meeting Minutes**

- a) 10-25-2018 - Regular Board Meeting

Board Comment: None

Public Comment: None

Motion by Director Sangster to Approve Consent Item 1.A

Seconded by Director Parent. Motion was approved by Vote of 4 AYES and 0 NOES and 0 ABSENT and 1 Abstained.

- 2 Approve Amendment no 1 to the Agreement for 2015 CDBG funds between the County of San Luis Obispo and the San Miguel Community Services District. (Reely & Dodds)**

Board Comment: None

Public Comment: None

Motion by Director Parent to Approve Consent Item 2

Seconded by Director Kalvans. Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT.

XI. BOARD ACTION ITEMS:

- 1. *Heard Before Presentation:* Review and discuss request from People Self Help Housing to accept connection fees based on the prior rates as opposed to the connection fees effective July 1st, 2018.**
- 2. Review, Discuss, Receive and File the Enumeration of Financial Report for October 2018 (Freeman)**
 - a) Claims Detail Report 10-2018
 - b) Statement of Revenue Budget vs Actuals 10-2018
 - c) Rev Budget vs Actual Summary 10-2018
 - d) Statement of Expenditures Budget vs Actual 10-2018
 - e) Cash Report for Payrolls 10-2018

Item was presented by Paola Freeman, San Miguel Bookkeeper asking for any questions. Mrs. Freeman updated the Board that the FY17-18 Audit is moving along and should be done very soon.

Board Comments: Director Green asked for to have a report to showing what monies are available for each fund. Direction was given to staff and staff will get back to the Board with that information. Mrs. Freeman explained that they are waiting for the Audit, so the numbers can be correct.

Director Sangster asked about the negative amount for the GSA account? Mrs. Freeman explained that, that is because we are waiting to be reimbursed by a grant in the amount of \$177k

Public Comment: Laverne Buckman voiced to the Board that page 8 of 11 had web billing as June. It was explained that, the June is a typo and would be fixed. Mrs. Buckman also asked about Steinbeck cost and asked about USDA Loan under account 605/930. Mrs. Freeman and Mr. Dodds explained that per our CPA the tracking of the loan and interest were not being recorded properly and that has been corrected, and that staff would double check the numbers.

Board Comment: Director Green asked about the funds in Solid Waste and asked that the staff to present the Board with excel spreadsheet of the funds available in each account. Director Green voiced that he would like to start some kind off green waste station within the District.

Motion by Director Kalvans to Approve Receive and File the Enumeration of Financial Report for October 2018

Seconded by Director Sangster, Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT.

3. Review and approve Resolution 2018-35 adopting a comprehensive water and wastewater billing policy for the District.

Item presented by District General Counsel Seikaly and explained that legal counsel looked at the document and made updates for SB998. Director of Utilities, Kelly Dodds and District Accounts Manager, Tamara Parent. Informing the Board of Directors that there are a few accounts, which serve mixed use buildings and properties with multiple residential buildings which both the staff and the customers feel need to be addressed. The prior rates had a different structure for billing commercial, mixed use and multiple residential units on a single property, which was clear on how they could be billed. The newly adopted rates are a little less clear on the billing of these properties since it changes to a usage billing similar to water for these mixed use and large meter properties. The Staff informed the Board about Senate Bill 998, which will take effect on April 1, 2020, has required the District to ensure that its practices will be compliant with the new law. This new policy should be implemented by direction from the Board.

Board Comments: Director Kalvans asked about compliance to date. Counsel Seikaly informed the Board of Directors that there are a few things that need to be implemented but that this is the Districts first billing policy and explained that all agencies have to translate the policy into five different languages.

Director Green voiced that if we pass this policy the District should implement it.

Director of Utilities Kelly Dodds explained that some of the policy can be implemented and see how much work it will take the district and get to compliance by April 2020.

Discussion ensued about how this will be implemented.

Public Comments: Laverne Buckman voiced that the District should write to the state and explained how much the SB998 cost the District and how much of a burden they put onto small Districts. Mrs. Buckman also voiced that she did not like that multi-family was not in the new water rates and feels that a few things got missed. Laverne feels that the policy needs to be studied and brought back. Director of Utilities Kelly Dodds reminded everyone that the multi-family for water was looked at and the cost difference was only a few dollars and it was decided not to have multi-family. Laverne Buckman voiced that she had lots of concerns with the policy.

Nanette Roe voiced that the District should wait for the state to translate and feels that it will have most of the wording. Discussion ensued.

Motion by Director Kalvans to table Item XI-3

Seconded by Director Buckman, Motion failed by Vote of 2 AYES and 3 NOES and 0 ABSENT. Motion Fails.

Discussion ensued about why we had to have a billing policy and Counsel Seikaly explained that there are some requirements that the District should be complying with at this time and feels that the District should rewrite the Resolution to state that the District will implement policy by April 2020.

Board Comments: Director Green voiced that he would like to start with implementing the items needed to be in compliance with the policy.

Director Sangster asked if these items are part of the Public Utilities Code, and what are the fines for not complying. Counsel Seikaly, explained that the District could be looked at if they are not in compliance with the PUC and SB 998.

Director Green asked how long the District has been out of compliance? Accounts Manager Tamara Parent explained that the District has never had a Billing Policy since conception of the CSD.

Director Parent asked Counsel if the Board could change the Resolution to read that the District will implement the policy beginning in 2020. Counsel Seikaly explained that they could write it as a roll out.

Director Kalvans asked what parts of the policy the District are not in compliance with? Counsel Seikaly explained that most of the policy with exceptions.

Director Green voiced that he would like to start the policy and see what will be needed for support if any. Director Green asked counsel if we could motion to implement by April 2020. District Counsel Seikaly explained that, yes you could motion to implement and reexamine for issues in 6 months.

Public Comments: Laverne Buckman voiced that she did not want the staff to have control over how customers are being billed. Discussion ensued about water code that the District will be hearing in the beginning of 2019

Motion by Director Green to approve the Billing Policy and implement over the course of one year with the stipulation that staff bring back a water code.

Seconded by Director Parent, Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT.

XII. BOARD COMMENT:

Director Buckman voiced that he was worried about the cost of the new Billing Policy. Director Parent informed the Board that he would not be at the December Meeting due to work conflict and voiced that he would not be excepting any nominations.

Director Green asked about Solid Waste and would like staff to look into having a green waste area within the District. Director Green voiced that he would like staff to provide information on implementing a green waste. Director Kalvans voiced that he could stand behind the implementing green waste within the District.

Discussion ensued about the Clean-up committee.

XIII. ADJOURNMENT TO NEXT MEETING DECEMBER 2018: 10:20 P.M.