



BOARD OF DIRECTORS

Raynette Gregory, President Anthony Kalvans, Vice-President
 Ward Roney, Director Hector Palafox, Director Ashley Sangster, Director

REGULAR MEETING MINUTES

**6:30 P.M. Closed Session 7:00 P.M. Opened Session
 SMCSO Boardroom 08-26-2021**

I.	Call to Order:	6:30 PM	Video part 1/4 Time: 0:01
II.	Pledge of Allegiance:	Kalvans	
III.	Roll Call:	<i>Sangster, Kalvans, Gregory, Roney, Palafox</i>	ABSENT: <i>None</i>

IV. **Approval of Regular Meeting Agenda:**
 Motion by: Director Sangster to approve Agenda
 Second by: Director Kalvans
 Motion: Voice Vote

Board Members	Ayes	Noes	Abstain	Recuse	Absent
R. Gregory	X				
A. Kalvans	X				
H. Palafox	X				
A. Sangster	X				
W. Roney	X				

Public Comment for items on closed session agenda
 NONE

V. **ADJOURN TO CLOSED SESSION:** Time: 6:31 PM

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

VI. **Call to Order for Regular Board Meeting/Report out of Closed Session 7:00 PM**
 Time: 7:00 PM

1. Report out of closed session by District General Counsel (Doug White- WhiteBrenner, LLP)
 1. Direction was given to Staff

VII. **Public Comment and Communications for items not on the Agenda:** **Video part 1/4 Time: 06:35**
 General Manager Rob Roberson read aloud "Board Meeting Decorum" from the Board Handbook
 Kiba Baird- Public information officer for Camp Roberts, introducing herself.
 Owen Davis- San Miguel Resident voiced his discontent with the CSD.

VIII. Special Presentations/Public Hearings/Other:

Video part 1/4 Time: 12:20

NONE

IX. Staff & Committee Reports – Receive & File:**Non-District Reports:**

Video part 1/4 Time: 12:30

1. San Luis Obispo County: None

2. Camp Roberts—Army National Guard:

Video part 1/4 time: 12:55

Kiba Baird- Public information officer for Camp Roberts, Spoke in regards to the recent events in Afghanistan, if anyone related to or affiliated with those in military service, we have resources and are prepared to assist in recovery or anything they may need, is a 10-year army veteran and combat wounded from Operation Iraqi Freedom and understands severity that goes into situations like this, can easily forget our neighbor is Camp Roberts and resources are right here, though we respond to SLO they will respond accordingly in North County as well, will be here for any questions.

3. Community Service Organizations:

Video part 1/4 time: 14:10

Sheriff's N Station Commander Raleigh - Presented regular monthly report for July 2021, 2,207 calls for service from north station, 469 from Templeton, 187 from San Miguel compared to last year 254, 4 for assault and battery, 3 general reports, one victim hit with a bottle, other related to domestic violence, 24 disturbance calls, elder abuse, family disturbance, no burglaries or theft, one vandalism, two trespassing, zero phone scams, 4 suspicious persons, 296 calls re fireworks in entire county San Miguel 18, had a unit here in town did not find any street racing

Scott Young (President SMFA)- Annual fireworks sales very successful, thanks to everyone who participated. They were able to replace the flags at the community park, are collecting school supplies with FdVA Church-doing very well. Were able to donate some fire equipment (that was donated to the SMF dept.) to San Juan New Mexico- very well received donation to their 18 crew fire department

District Staff & Committee Reports:

4. Interim General Manager :

Video part 1/4 time: 18:18

RR- CSD continues to work under covid, the county going through 3rd surge, county hospitals 10 times up from June. 58 hospitalized and 16 now in ICU, had 5 deaths nonrecent, possibility that county could implement mask mandate, hospitalization ages are dropping average age is 50, significant increase in children with Covid in hospitals. Billing has completed scanning and auditing CSD customer files to ensure that the District has updated information, moved approx. 230 out of 900 customers to electronic payment, moving forward with getting new phone system VOIP, 20/21 financial audit is moving forward, we have received info from the county, waiting for Kramer CPA review. Alex scheduled to be here in early to mid-September. Engine 8668 was dispatched to Fresno on July 12 for 8 days then moved to Dixie fire, returned August 4th- 24-day commitment. The revenue generated from OES master mutual aid placed in capital reserve for future engine and equipment payment, 8687 was sold to Pioneer Volunteer Fire outside Folsom for \$53k- funds placed in capital reserve and made first payment for new engine, remaining \$6k designated to cover cost of build-out for new engine. Water distribution break on Aug 10th, customers were only without service for approx. 15 hours. Viborg will be coming next week. Board Clerk/Accounts Manager will be out for 3-4 weeks due to medical and available by phone after first week, Board Clerk & GM will be attending Governance Leadership Conference on the 26th through 9th, as directed by the Board during 2019 GM evaluation, first available training, cost \$650 per attendee, Account Manager was able to obtain tuition scholarship from Dr. James Hope Owens. The CSD's Directors training scheduled for Sept. 2nd will be postponed till October due to medical reasons.

Board Comment:

RG- Re. covid cases, are those patients vaccinated or not

RR- Delta variant, vaccinated persons have contracted it, numbers increased over last week

RR- Tamara was able to get scholarship, GM will need to be paid for by CSD

5. District General Counsel: Nothing to report from WhiteBrenner

Video part 2/4 time: 00:58

6. District Engineer : Dr. Reely Report submitted as written Video part 2/4 time 01:04

Board Comment:

AS- what do you attribute to lower production of water over last year
BR- possibly rates and weather differences

7. Director of Utilities: Mr. Dodd Report submitted as written Video part 2/4 time 02:10

Board Comment:

RG- started including well level, was that done before? How is that related to last year? Drought? Depth? Arsenic- working with Awalt, treatment? Looking at well 2?
KD- voiced that the well levels have been in there, usually within a couple feet in same range for this kind of year, fairly stable year-round, both wells 300 ft deep, looking at every option for treatment cons mostly cost, looking for just well 2 but possible well 3 & 4

8. Fire Chief: Chief Roberson Report submitted as written Video part 2/4 time: 05:05

Public Comments for all reports:

Owen Davis- San Miguel Resident, Asked about SLT well

- X. **Consent Calendar:** Video part 2/4 time: 06:57

1. **Review and Approve Board Meeting Minutes**
 - A. 7-22-2021 Regular Board Meeting
2. Approving RESOLUTION 2021-29, assignment of banking powers for Interim General Manager Robert Roberson and Financial Officer Michelle Hido for district bank accounts and removing former Financial Officer Paola Freeman.

Motion by: Director Gregory

Second by: Director Palafox

Motion: to Approve Consent Calendar as written by voice vote

Board Members	Ayes	Noes	Abstain	Recuse	Absent
R. Gregory	X				
A. Kalvans	X				
H. Palafox	X				
A. Sangster	X				
W. Roney	X				

- XI. **Board Action Items:** Video part 2/4 time: 08:18

1. **Review, Discuss and Receive the Enumeration of Financial Report for JULY 2021**
 - A. Claims Detail Report
 - B. Statement of Revenue Budget vs Actuals
 - C. Revenue Budget vs Actual Summary
 - D. Statement of Expenditures Budget vs Actual
 - E. Cash Report

RECOMMENDATION: Review and Receive Financial Report for July 2021. Item Presented by District Financial Officer Michelle Hido

July financials are as submitted, but are not being asked to file till after the audit. When the audit is complete June, July and probably August financials will be brought back for submittal along with a year-end financial report & analysis of CSD costs. Kramer has received all reports requested, the audit is currently scheduled for September. We received rate change notices from 3 vendors: prices will go up for Great Western Alarm, White Brenner, and Pacific Premier Bank.

Board Comment:

AS- What specific are increases on three vendors mentioned?

MH- Pacific Premier mailed us 3 pages of various fee changes- some examples are NSF checks and price of copies. Western Alarm raised 10%. White Brenner 3.2% increase in their fees.

AS- Are we buying meters every month?

MH- It's an annual item.

KD- We annually budget for replacement meters. And we also buy replacement meters throughout year as needed.

AS- So we are replacing 36 meters a year?

KD- the program allotment is 40 meters a year, reflecting overall cost as it fluctuates per year

Public Comments: None

Discussion Item Only

Video part 2/4 time: 14:55

2. **Presentation and discussion on status of the Machado Wastewater Treatment Facility Upgrade Project**

Recommendation: Receive and discuss status update for Machado Wastewater Treatment Facility Upgrade
Information Item Only

BR- Presented where the District is on the Wastewater Treatment Plant and a little history, the District plant is approaching capacity, high capacity, notified in 2018 by Water Board that must begin process of upgrading and expanding plant to meet future needs of community and changing in right direction. Prepared a PowerPoint presentation- (see district website) Current plant has 4 aerated lagoons, built in the 90s, going through planning process to find different alternatives- membrane bio-reactor, gives ability to meet new requirements, ability to produce recycled water; primary project plant upgrade, future plans: solar installation to generate our own power, Monsoon Consultants began the design process, received building/design grant, Apr 2020 were able to deliver a Preliminary Engineering Report requirement by funding agency and contract to Dudek to start NEPA/CEQA, Sept 2020 adopted new general order, June 2021 received one proposal for MBR, July 2021 received administrative graph, cross review issued for Headworks screening in Nov-next step, finished design development, secured a bid for big chunk of project, finishing up procurement from headworks, and move through the final steps.

Board Comment:

AS- The \$11 plus million does include \$6.8 million for MBR? -Yes. MBR is going to be sustainable or modular, what is the cost of expansion and how involved is it to increase the capacity of that means?

BR- The expansion is predesigned to expand, quite easily. The initial plant expansion is to go to 325k gallons, from 200k gallons. Further expansion/ added module may bring it to 500k gallons. Discussion ensued.

AK- How much can we expect in funding.

BR-Conversations with USDA they have combination grant and loan, they can't promise till they do their analysis to amount how much is split between grant and loan, federal allocation program, bill going through congress right now with some money for projects like this, probably won't know for a couple months.

AK- we will need to be ready for when those grants come available- they are competitive.

BR- absolutely, we are doing a lot to be available for those grants, got many of requirements complete, will be going after all the programs they have available.

Public Comments: None

Video part 3/4 time: 02:10

3. **Discussion and Consideration by the Board of Directors of the San Miguel Community Services District to approve the Request for Proposals (RFP) Release & Technical Specifications for the Wastewater Treatment Facility Upgrade & Expansion Headworks Screening and Grit Removal Equipment and authorize the Director of Utilities to advertise for qualified cost proposals.**

Recommendation: Discuss and authorize Director of Utilities to advertise for cost proposals from qualified Headworks Screening and Grit Removal Equipment Vendors.

Director of Utilities Kelly Dodds presented; - this is the second portion of RFP process for the plant, first MBR, then Headworks pre-screening before we get to MBR, asking to approve release of RFP. The District circulated in September due on 17th could come back to Board in October, only for Headworks' equipment. Installation will be done by general on site contractor made changes to be consistent with what was asked for by the Board. Discussion ensued.

Board Comment:

AS- In relationship to RFP documentation voiced that he does not see where communicating that any proposer will be accepting the "terms" of the District by accepting proposal- KD voiced "terms" will Add in; AS- have we looked into public purchase or other larger public bidding points of purchasing RFPs, just thinking about response of putting out to wider audience- may get wider response through larger channels.

Public Comments: None

Motion by: Director Sangster

Second by: Director Gregory

To approve the Request for Proposals (RFP) Release & Technical Specifications for the Wastewater Treatment Facility Upgrade & Expansion Headworks Screening and Grit Removal Equipment and authorize the Director of Utilities to advertise for qualified cost proposals w/ addition that proposers are accepting of the Districts Standard Terms & Conditions

Motion:

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Kalvans	X				
W. Roney	X				
H. Palafox	X				
A. Sangster	X				
R. Gregory	X				

4. Discussion on the Integrated Waste Management Authority (IWMA)

Recommendation: Discuss the status if the IWMA

Item Presented by Director of Utilities Kelly Dodds explaining that the IWMA assist city, county, and special districts applying with state assembly/senate bills relating to solid waste management, formed to create hazardous and solid waste programs- cost saving group consolidation, IWMA has 13 board members one for each city, state also formed call-recycle to be clearing house for this information that other IWMA's were collecting, Cal-Recycle purpose to manage state that everybody doing what supposed to, currently IWMA collects data from solid waste haulers such as SM Garbage, IWMA reports differently and performs site inspections, District-they provide frequent and infrequent information that can be posted to social media and included in our bills, they collect info and report back to Cal-Recycle on our behalf and make sure following all applicable regulations. On, Aug 10 SLO County Board Supervisors voted to leave IWMA over difference of opinion, Styrofoam ban, puts special districts in predicament, not a lot of information, district may in future may need to provide that monitoring and reporting, most dramatic increase in regulation is SB1383- actively trying to get out of, if we can get out would be best situation for district, if not a lot of discussion and reporting will need to be done and reported to Cal-Recycling, What will reform look like? Should District stay with IWMA? Should district attempt to join County program? What benefit does District get from being in IWMA? Does district want to take on reporting and compliance monitoring within? Should district hire consultant to provide neutral cost/benefit analysis, will be meeting with IWMA soon, the County did hire consultant to do analysis for them.

Board Comment:

AK- Voiced, don't know what to do with this, IWMA has large turnover and active investigations, don't know where the County got the 1.5 million in budget to spend on their recycling program, some of those CSD are bigger than our city and have way more people than us, want to make sure we have equal voice/standing as those larger districts, biggest thing concerned this means garbage will go up with state reporting in county areas.

KD- IWMA rejected 2-4% increase as set fee, other costs/flat rate cost were going up 5%, IWMA itself is looking accumulate 1.5 to 2 million dollars more to operate.

AK- saw that their staff report in July it said would double their budget ideally.

KD- they had to hire more people to keep up, they were trying costs increases to offset their inhouse costs.

AK- this County is so far behind, so many mandates and regulations for Recycling

KD- SB1383 is supposed to shift recyclable and solid waste to get it out of landfills

AS- based on county removing itself does this mean the membership is 7 cities and 1 representative for all CSD's

KD- Probably will be a struggle, would hope there is more representation, but most likely a new general board will have to be formed and won't know what that structure will look like till then, 5 Board of Supervisors almost 50% of GPA, too much is unknown at this point.

AK- do all the 11 districts have their own solid waste program- KD- Yes. AK- Have we heard back from friend John Luke?

KD- above and beyond they are helping us through the debacle, we can apply with everything we have right now, had conversations with them, they accumulate all data and pass it on to IWMA who passes it to Cal-Recycle, SM Garbage company had meetings with Cal-Recycle, district will have meeting with SM Garbage & Cal Recycle to know what it would be like if we go on our own- workload and financial aspect.

AK- do we know what local CSD in our area doing at this moment?

RR- when went to meeting heard what county is going to do but no feedback since decision was made?

RG- What is costs to do business with IWMA?

KD- No, direct cost out of pocket, all fees that pay for IWMA come from customers that pay for solid waste in the county or go to landfill, some used to be a flat rate and some are increasing rate, the consumers pay.

Public Comments: None

Information Item Only

5. Review and approve Resolution 2021-28 authorizing a FY 2021-22 budget adjustment of \$10,000 to new Solid Waste object SB1383 Compliance (60-650) to be transferred from Solid Waste Operational reserve.

Recommendation: Approve Resolution 2021-28 approving a budget adjustment of \$10,000 to new Solid Waste object SB1383 Compliance (60-650) to be transferred from Solid Waste Operational reserve

Item Presented by Director of Utilities Kelly Dodds explaining that he would like to create two things, contract to pay for legal fee and compliance issues relating to SB1383- estimated cost up to \$10k by end of year paid to either review ordinances and become compliant or review ordinances to become compliant and also file necessary reports to remove district from requirements of SB1383. Hoping we can do it for less.

Board Comment:

AK- Hope the cost could be a lot lower, worry about how SB1383 will do in long run, they will expect us to fund this project but will take our funding away?

KD- The County has discussed how IWMA has that clearing house, all the information they are asking for is provided by SM Garbage on regular basis, if District decides to do this on own there is an assumption that some or all fees paid by district residents will be paid to District for these programs, that would have to go through lengthy process to determine costs, is an option, wouldn't just be left to go after funding on our own, state able to provide funding to offset the development, initially going to be learning on solid waste hopefully can minimize that, always looking for state or federal funding, if we can get waiver costs will be minimized greatly.

AS- on what basis can we get a waiver? Do we meet the criteria?

KD- only available based on population per square mile, at initial overview we meet criteria, determining what we need to do to file for it, must be compliant by next year- should be compliant by January, don't start getting in trouble till July, the waivers based on population-meet that requirement, consulted for IWMA they have also stated we meet this waiver, have also heard don't need waiver, Cal-Recycle say we meet criteria also, San Miguel garbage has been greatly helpful- already provide all reports to IWMA

AK- How long is the waiver good for?

KD- the waiver lasts for 5 years, after 5 years there is a change SB1383 doesn't exist anymore but would have to reapply, some agencies bigger than us are fighting it, may not last long or get off the ground.

AK- Short term goal is to get a waiver and long-term goal is to anticipate something else from the state?

KD- Yes, to get a waiver to get off regulations required by SB1383 but there are some purchase requirements and overall compliance that will still be applied.

Public Comments:

Owen Davis (San Miguel Resident)- I think we should let San Miguel garbage handle this, they know exactly what they are doing, let them worry about the IWMA ordeal, turn it over to them and let them do what needs to be done. district we are ultimately responsible for maintaining and enforcing ordinances, there will be ordinances we will have to comply with regardless of San Miguel garbage is here to do it or not, we are very fortunate for them helping us.

Motion by: Director Kalvans

Second by: Director Sangster

Motion: To approve Resolution 2021-28 as written

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Sangster	X				
W. Roney	X				
A. Kalvans	X				
H. Palafox	X				
R. Gregory	X				

6. **Discuss and authorize the Director of Utilities to release a RFP for District Engineering services**

Recommendation: Authorize Director of Utilities release a RFP for District Engineering Services.

Item presented by Director of Utilities Kelly Dodds- Based on last meeting, sent out RFP for District Engineering services, that's what is being provided right now, has been reviewed by current engineer and counsel, if there are any changes will make as necessary, goal is to get this out into the world to start getting a response and see who is interested

Board Comment:

AS- would like to include any proposer by proposing accepts the District "terms and conditions", does this have the engineer and counsels final format.

KD- they already reviewed it, and this is their comments.

RG- with this sort of RFP, do you approach companies, how does it work? Are we staying local?

KD- The District send out to all the companies known to us, normally put on CSDA, and any other engineering site we are aware of, goal is to find somebody local, depends on different firms/individuals,there are many great firms close to us, closer is preferable.

AS- Did you incorporate anything that includes a radius that the proposer must be within.

KD- the radius was 150 miles but we can include that in the RFP.

AS- how many engineers are on deck to be notified currently?

KD- do not have a list currently but believe 10 or 12 all within this county.

Public Comments: None

Motion by: Director Sangster

Second by: Director Kalvans

Motion: To approve Authorize Director of Utilities release a RFP for District Engineering Services

Board Members	Ayes	Noes	Abstain	Recuse	Absent
H. Palafox	X				
A. Sangster	X				
A. Kalvans	X				
W. Roney	X				
R. Gregory	X				

7. **Discuss and authorize the Director of Utilities to purchase and install an air conditioner for the server room/ office at the Machado WWTF in an amount of \$5452.00.**

Recommendation: Authorize Director of Utilities purchase and install an air conditioner at the Machado WWTF. Item presented by Director of Utilities Kelly Dodds; This item is to purchase and install an air conditioner for the service room/ office out at treatment plant, primary focus is temperature control of the server room, it's in a metal building, in order to keep room cooler in summertime has to keep door open but it allows the dust in, hoping to keep server room at a reasonable temperature and protect equipment from dust to prolong the life of the servers and equipment. The money is currently within the budget of treatment plant maintenance fund and no additional budget is being requested. We received 3 quotes from 3 vendors from \$4,200 to \$6,220 for purchase and on call electrician provided estimate cost not to exceed \$1,252 to bring power to the unit, requesting \$5,452 to purchase and install an air conditioner.

Board Comment:

AS- Can you tell us about the room the unit is in? Is there no climate control currently? KD- No

KD- There is a metal shop building with an office and bathroom, the servers are in that room.

WR- What is the ballpark value of the servers in the room?

KD- Each one is about a \$1,000, there is about \$5-\$6k worth of equipment associated with them, if it were to fail looking at about \$16-\$20k cost

WR- current value, which is much greater and needs to be protected.

HP- Is this server going to be used in the new treatment plant as well?

KD- The server and associated equipment will be used to the extent that they are not wiped out, most likely will be in-active use depending on when the treatment plant is completed, the type of air conditioner proposed will be able to be re-used in the server room in the new building to provide climate control for that room.

RG- what else is in that room besides the servers?

KD- servers, other paperwork, a desk that used to be used as an office.

RG- who is the winning quote?

KD- \$4200 from Hutch Heating & Air, highest from Air Left.

RG- This is a unit that will be a split?

KD- mini-split, small piece on inside, condenser on outside.

Public Comments: None

Motion by: Director Palafox

Second by: Director Roney

Motion: To Approve Authorize Director of Utilities purchase and install an air conditioner at the Machado WWTF NTE \$5452.00

Board Members	Ayes	Noes	Abstain	Recuse	Absent
H. Palafox	X				
W. Roney	X				
A. Sangster	X				
A. Kalvans	X				
R. Gregory	X				

Video part 4/4 time: 12:10

8. **Continued discussion on the Fire Department Temporary Housing unit**

Recommendation: Discuss the status and next steps for the Fire Department Temporary Housing unit Item Presented by Assistant Fire Chief Scott Young- The follow up on trilogly installation for temp housing on property, have acquired lease, received geological report from Beacon Geotechnical on June 18, findings state that the soil is suitable for proposed use, we can lodge a building on that site, have 6 potential vendors on list to contact for supplies for unit once the yard is complete, vendors on site providing documentation, have to get the permits, more information to come.

Board Comment:

RG- I know we said many months ago it'd be August, realistically now what do you think at this point?

SY- Voiced that he has heard from manufacturers may take about 6 months to fabricate a unit, if we can come to terms with a supplier that has a stock unit on site- might be sooner to process, heard from county, being gone didn't help, must wait for geotechnical to come back.

Public Comments: None

Video part 4/4 time: 15:10

9 **Discussion on status of Machado Wastewater Treatment Facility expansion and aeration upgrade project**

Recommendation: Discuss the status and next steps of the Machado Wastewater Treatment Facility expansion and aeration upgrade projects

Item presented by Director of Utilities Kelly Dodds- July averaged 142,364 gallons per day 71% of design capacity, next day 83% capacity, hovering around same amount every month, with initial projections a little off as far as when we will reach our capacity, community is doing their part

Board Comment:

AK- what is the earliest ballpark figure to get the plant up?

KD- highly dependent on environmental project, currently USDA is reviewing environmental report, county did preliminary review of report, constantly looking for grant funds, assuming that all funding falls into place best case is break ground in January or February, realistically timeframe June or July, if funding is made available sooner through USDA.

AK- if we were to get quote sooner, do they have the man work to produce our unit within this timeframe.

KD- at this point they are however advised that they have other projects that are already in the field, are willing to spot in line one for us but need assurance we are going that way, next step they would be concerned with is board approval and proceed the design and construction documents from them.

AK- with timeline, where does the MBR fit in the overall construction of plant.

KD- based on current design, going on clean slate, if we were to do the contracts at same time for site work and MBR, could be priority for site contractor to build that pad, MBR contract is pad up they would come in and build their own pad, can work backwards, one consideration that 500 year flood wall would have to be constructed after which at this point is not main concern.

Public Comments: None

XII. BOARD COMMENT: Video part 4/4 time 21:30

Board Clerk addressed AK- Previous meeting asked for info regarding nominations for IWMA, time frame for

AK- Want to thank SY and the fire crew for going out safely to the big state fires

RG- Thank the staff for the microphones

WR- How were the microphones purchased? Money well spent

RR- The microphones were purchased by district, equipment that set them up donated by fire association

XIII. ADJOURNMENT TO NEXT REGULAR MEETING Approx 8:55 PM Video part 4/4 time: 23:30