



SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
JANUARY 26, 2017 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 Kalvans at 6:02 PM.

II. Pledge of Allegiance:

Director Buckman asked to lead the Pledge of Allegiance.

III. Roll Call:

Directors Present: Buckman, Green, Parent and Reuck. Absent: Parent
Director Parent arrived late at 6:05pm.

District Staff Attending: General Manager Gentry, Fire Chief Roberson and Utility
Services Supervisor Dodds

District General Counsel: Doug White and Karl Schweikert.

IV. Adoption of Special Meeting Agenda:

Director Buckman made a motion to amend the agenda to include a special resolution, Resolution No 2017-02 Recognizing the special services rendered by Fire Department, and to adopt Special Meeting Agenda as amended, Seconded by Director Reuck. Motion was approved by voice vote of 5 AYES and 0 NOES.

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

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

VI. ADJOURN TO CLOSED SESSION:

President Kalvans announced adjournment to Closed Session with General Counsel on matters related to:

A. CLOSED SESSION AGENDA:

1. CONFERENCE WITH DISTRICT GENERAL COUNSEL

Anticipated Litigation

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

Title: District General Counsel, and

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

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

Title: General Manager

B. RECONVENE TO OPEN SESSION

President Kalvans reconvene to open session at 6:57pm and announced a short break by Board.

President Kalvans reconvened Board members at 7:03pm and asked General Counsel to report out of closed Session.

C. REPORT OUT OF CLOSED SESSION

General Counsel reported that there was no reportable action out of Closed Session.

President Kalvans announced the first public comment and communication and asked if there was anyone present wishing to speak to the Board on an item not on the agenda.

Scott Young, a resident, spoke about the Firefighters Association's support of the community and the value the Association has given since the late 1880's. He also spoke about 5 items not on the agenda and asked the Board to follow up with action. The 5 items were There were no requests to speak and no person requested to speak to the Board.

IX. Staff & Committee Reports:

President Kalvans requested Non-District and District Reports be given.

Non-District Reports:

San Luis Obispo County Sheriff

There was no written report submitted and no representative present to address the Board.

San Luis Obispo County Board of Supervisors

There was no written report submitted and no representative present to address the Board.

San Luis Obispo County Planning and/or Public Works

There was no written report submitted and no representative present to address the Board.

San Miguel Area Advisory Council

President Kalvans gave a short verbal report from last Advisory Council meeting. He stated that the Council is revisiting the Transportation Rules and continuing public concerns about the Wellsona Road intersection and number of accidents.

Camp Roberts—Army National Guard

There was no written report submitted and no representative present to address the Board.

District Staff & Committee Reports:

General Manager (Mr. Gentry)

GM reported that mandatory Board training sessions on sexual harassment and ethics have been scheduled with District General Counsel.

President Kalvans asked if there were any Board comments or questions regarding the GM report. There were no Board comments or questions.

Scott Young, a resident, spoke in comment that the GM's report should be written, not verbal in his opinion. He also commented about the District's use of Wallace Group as District Engineers.

President Kalvans asked if GM wanted to reply. GM Gentry stated that the District has made a recent change in District Engineer services and notified Wallace Group of Board intent and action to terminate their services. The new District Engineer/Utility Services Manager will be joining the Board at its next monthly meeting.

His second comment was about legal expenses being excessive and wanted to know if the District and Board received an itemized invoice statement for these expenses. He believed that the District might be able to find a local attorney to provide these services cheaper and stop what he sees as a "spending spree" by the attorneys.

He also asked the Board to consider street lighting in alleys, using social media as an information tool, using video broadcasting of Board meetings to be more transparent, setting committee meetings in the evenings, exploring the development of an alternative location for District Administrative staffing and questions the need for added staff. Lastly, he commented that the Board must use property tax dollars received for fire services for Fire Department budgeting, not excessive legal expenses.

District General Counsel

General Counsel Schweikert spoke about Churchwell White's lobbying services, which are free to the District and spoke use of Skype technology to reduce legal expenses. Lastly Counsel spoke about the March report by the Little Hoover Commission that President Kalvans had asked about in terms of implications for special district. He mentioned that the Commission's findings may or may not lead to legislation that could affect the District. No legislation is presently pending.

President Kalvans asked if there was any public comment.

No public comment was given.

Utility Supervisor

Supervisor Dodds stated a written report was submitted in the Board agenda packet. He asked if there were any questions.

Director Buckman asked if our well level have come up because of recent heavy rains. Mr. Dodds replied that there has been an estimated 10 rise since the rain began.

Director Parent asked about the floats at the treatment plant and the recent Change Order. He wanted to know the progress of installation and asked Supervisor to follow up for E & F Committee and Board information.

President Kalvans asked if there were any public comments on this report.

Travis Dodds, a resident and former Board member, asked what happens if the SCADA system fails and is failing on some level presently. President Kalvans asked Supervisor Dodds to respond.

Supervisor Dodds stated that the SCADA hardware and software are under warranty and are being fixed at no cost to the District.

Scott Young, a resident, asked about why the Community Cleanup item is on this report since it is an Association activities. Director Buckman stated that the District front and back office staff are used, from time to time, to assist. Director Green indicated that he is not aware of an issue and does not believe any action is needed. General Manager indicated that this regular community clean-up is not a CSD activity and agrees with Mr. Young that any reporting on this matter should be left up to the Association, not the District.

Laverne Buckman, a resident, commented on the SCADA installation and asked that future reports on this item contain a better descriptive statement. She also agreed with previous speaker that the community clean-up is a function of the Association, not the District and sees no need to track it in this report.

Fire Chief

Chief Roberson stated a copy of written report is included in the Board's packet. He also spoke about his concern that legal expenses are being paid for by fire funds and the Department is not responsible for these legal expenses as they are being incurred. He identified that there have been some lapses in coverage and response to calls.

Chief went on to explain and admit that he, independently, contacted the County Tax Collector and spoke to them about his belief that fire funds were being misspent and the specific use intended for such funds by the taxpayers. He stated his understanding that the CSD is the succeeding special district for the prior fire district but he believes that the CSD is dependent on the Fire Department funding that comes because of firefighting activities on behalf of District. He spoke about Fire Department being needed. He is aware that there is a need to look at options for coverage and is willing to evaluate all options for coverage-related issues.

Chief indicated that he and GM had spoken, in the past and again recently, about how property tax and other fire-related revenues are accounted for in the annual budgets and used for Department purposes. He admitted that there may be some confusion or misunderstanding about how a budget is supposed to work but he has listened to GM and General Counsel comments about the District is now one district, not separate districts. Chief stated that it is his opinion that expenses, not related to fire specifically, should not be a burden of Fire Department or its budget.

He also stated that the GM never stated that thermal imaging cameras should not be purchased but should be a specific item in next budget process and has supported purchasing as a budgeted expense. He has heard how, if the District is sued in court, then the entire District is financially responsible. He has a disagreement with that statement. He knows the Department has been frugal and will continue to do so.

Director Buckman asked GM and General Counsel to explain how the entire District, including the Fire Department, is affected by a lawsuit.

General Counsel White replied that any lawsuit filed against the CSD does indeed affect the Fire Department equally with all District departments. This would be the same situation, if a lawsuit was filed against some fire related event that led to a lawsuit being filed in court. The other CSD departments would have to share, financially, and defend the case. This has been true since the 2000 formation of the CSD.

President Kalvans stated that it is important that the Chief and General Manager continue working on mutual understanding of the budgeting process.

President Kalvans asked for public comment on Fire Chief report.

Laverne Buckman, a resident, commented on the Chief's report and asked that the Board to consider adding a year's end report on calls and ensure that the percentages stated in the report are adequately explained or correctly report. She noted that some numbers do not match up.

Ms. Buckman also commented that the legal expenses should be re-visited by the Board because she believed that the Fire Chief's argument deserves some Board consideration because a lawsuit related to water issues should not be an expense for the Fire Department.

Scott Young, a resident, read from written statement and asked the Board about why the GM blocked the purchase of the thermal imaging cameras and commented on the importance of using this equipment for the protection and safety of public and firefighters. He asked the Board to support purchasing thermal imaging cameras for District.

Travis Dawes, a resident and former Board Member, commented that he supports the Board approving the purchase of thermal imaging cameras.

Director Buckman asked about past request to purchase these cameras. Assistant Fire Chief Dodds stated that historically this equipment has not been approved by Board in past budgets. Director Buckman asked that this item be place on the next agenda for Board action. GM responded that this purchase item is already being reviewed by E & F Committee and is scheduled for next month's Board meeting.

There were no further comments or questions.

District Engineer/Utility Services Manager

The final report by Wallace Group is submitted in the Board's agenda packet. General Manager asked if there were any questions by the Board and stated that next month, new reporting would be done by Dr. Reely, Monsoon Consulting.

Dr. Reely commented that this report will be changed to reflect engineering and utility services activities occurring throughout the month. He asked for Board input and suggestions for any changes or information that they might view as important to them. He looks forward to serving the District, if the contract agreement is approved later this agenda.

There were no Board comments or questions. There were also no public requests to speak or comments received.

Finance & Budget Committee

Chair Reuck stated that the written report on Committee activities is in the Board's packet. Committee is still working on financial reports, monthly and year-to-date, resolution to data entries. Committee is making progress but wants to make certain that all changes are done before sending to Board.

President Kalvans asked for any public comments or questions.

Scott Young, a resident, pointed out that the Committee's meeting time is not convenient and asked the Board to reconsider evening meetings. He also stated that District should use an outside firm for all accounting and billing.

Laverne Buckman, a resident, stated that the Committee is working to understand all accounting functions for Black Mountain System. She stated, as an example, the legal expenses are not properly shown in categories and sub-categories that are needed and important to track for things like Steinbeck case. Committee is trying to get the figures in the right categories; things are closer but must be more precise.

Travis Dawes, a resident and former Board Member, commented that it is important that people understand that legal expenses are being used to defend the entire District and protect ratepayer interests. He also spoke about the need to get the figures into the right categories, which is the work being done by the Committee. He asked why the thermal imaging cameras discussion was only occurring tonight because over the past two years of his involvement, there has been no purchase request that he recalls.

There were no other public comments.

Organization and Personnel Committee

Chair Green stated that the Committee meeting was scheduled for January 27th and meeting will be reported next month.

Equipment & Facilities Committee

Chair Parent reported that there is a written report in Board's packet but he finds the report misses a lot of information. Also, spoke about the site visit to District facilities that Committee took with Supervisor. He asked if there were any questions by the Board on the report.

President Kalvans asked the E & F Committee to consider street lighting in the alleys. Chair Parent stated that the item will set for review and discussion. GM replied that he has made note of request and will have it scheduled for E & F review.

President Kalvans asked if there were any public comments or questions.

Scott Young, a resident, spoke about the value of Director Parent's water expertise to the Board, which should be fully utilized.

Water Resources Advisory Committee

Representative Kalvans reported that there had been no meeting.

President Kalvans announced that now is the time to consider Consent Items that are listed and would be considered as a group and acted on by a single vote. He also asked if there were any items to be pulled for discussion by a Board Member. Hearing none, President Kalvans began the Special Presentation and asked Mr. Dawes, former Board Member to join him in front.

CONSENT ITEMS:

- 15. Special Presentation:** Certificate of Appreciation to Former Board Member Dawes for Service to the District

President Kalvans presented a certificate of appreciation for his service to District residents and businesses. President Kalvans spoke about Mr. Dawes stepping up to serve when the District needed to fill a vacancy and gave freely of his time and energy to the job.

Mr. Dawes thanked the Board for the Certificate and made comments about his service.

President Kalvans announced the Board Action Items on the agenda and asked the GM to introduce the first item.

XI. BOARD ACTION ITEMS:

- 16. Discuss and Recommend a bid contract for District Engineer/Utility Services Management Services to Monsoon Consultants.**

GM Gentry stated that written report is in the Board's packet and comments now would be supplemental to that report. GM indicated this item was to consider a bid award for ongoing professional engineering and utility service management services. A competitive bidding process using RFP's to solicit and receive bids was used.

The F & B Committee reviewed the bids received at its January 20th meeting and unanimously recommended that the Board approve contract award to Monsoon Consultants for these desired services. GM described an overview of the Monsoon Consultants response to RFP and indicated that the chief benefits to SMCS D were the lower hourly rate for Monsoon in the first year; highly experienced engineering firm in areas of hydraulic modeling, geotechnical, civil engineering and water/wastewater day-to-day operations.

GM introduced Dr. Blaine Reely from Monsoon Consultants. Dr. Reely gave a brief overview of the firm, their local experience for other public agencies, the location of firm headquarters in San Luis Obispo city and the firm's overall experience for desired services, including his background in public works/engineering departments for municipalities. GM stated the recommendation to award of District Engineer/Utility Services Management services contract to Monsoon Consultants and asked the Board approve Resolution No 2017-01 as presented.

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He understands that there are challenges ahead for SMCS D in terms of the water basin, and expansion of the wastewater treatment plant. He asked if there were any questions by the Board.

Director Parent asked about his managerial experience as well as what managerial functions and duties would he be responsible for.

Dr. Reely described his professional experience in departmental management for public works and engineering departments in municipalities. Also, stated that specific managerial duties or task were yet to be assigned but does expect to be attending Board meetings as required. Attendance costs are factored into the hourly. He will also be on-site during the normal work week to work with Utility Supervisor and General Manager on specific department and project-related tasks or assignments.

Director Buckman asked about what he knows of older reports on water for this area, specifically an old Army Corps report on Salinas River and this basin. Dr. Reely answered that he was not specifically aware of such a report but did have contacts available that might be able to identify the location of such a report. He would check on it.

President Kalvans asked about his knowledge of SGMA requirements. Dr. Reely replied that his involvement on SGMA matters and requirements is not extensive; knows about the Act and its purpose but has not been working on any specific studies or assignments. He is aware that SMCS D is seeking state recognition of its own GSA and will be involved with the next stage, a GSP or sustainability plan for its portion of the Paso Robles Basin.

President Kalvans asked if there were any public comments.

Laverne Buckman, a resident, commented about Director Parent's remark about the duties involving utility services and whether that meant something. GM responded that the purpose of Utility Services Manager functions was to oversee and establish newer planning, such as SSMP and Master Planning documents, assist with departmental operational needs and functions, assist with grants, prepare engineering plans and designs, oversee the wastewater treatment plant expansion project from concept to construction.

Travis Dawes, a resident, asked if Monsoon Consultant can handle the additional work that is being discussed. Board President asked Dr. Reely to answer this question. Dr. Reely stated that his firm has already begun the process of doing the work requested for this position and will serve, on-site, to assist with or complete assigned tasks. Again, he re-stated his firm experience and qualifications.

There were no further comments.

Director Green made a motion to approve **Resolution No 2017-01** as presented, Seconded by Director Reuck. **Motion was approved by roll call vote: 5 AYES, 0 NOES.**

President Kalvans asked GM to introduce the next Item for discussion.

17. Review and Discuss Proposal for Public Members to serve on Standing Committees

GM introduce this item for Board discussion and gave a brief overview of the submitted written report. He pointed out the background origin of this item was a Board request to involve more members of the community. Also, gave a brief review of Board's authority for these appointments, should the Board wish to make them.

GM stated the recommendation is to discuss and provide direction to staff as may be needed. Also, reminded the Board the two individuals who had express interests in serving on this Citizens Budget Review Advisory Committee were Laverne Buckman and Travis Dawes.

Director Reuck commented, as an F & B Committee member, he thought this was a good idea and supports approval. He thinks both persons can help with F & B's work.

Director Green asked about the lack of more persons applying and what had been done to get the word out. GM indicated that printed announcements had been posted at the post office, District office and outside bulletin board. Also, believed that a notice was on District webpage but was corrected about that information.

Directors commented that more outreach was needed because they would like to see other people in town getting involved.

Director Green stated that he would like to see noticing kept open and recirculated in a broader means to see if other people could be attracted to apply and serve.

President Kalvans agreed with Director Green's statement about keeping the invitation to join and serve as an open solicitation. District General Counsel White stated that the Board could do that and still appoint individuals this evening, if that is what the Board wants to do, subject to Board decision.

President Kalvans asked for public comments.

Travis Dawes, a resident, spoke about his willingness to serve but thought the Board should consider a term without limitations of meeting a few times a month or year. He thinks it is important to have year-long involvement, rather than just at budget time.

Scott Young, a resident, agrees with GM's recommendation to set up this Committee and to find as many qualified people as possible to serve.

Laverne Buckman, a resident, stated that she can say that Discover San Miguel webpage to put out an announcement about the formation of this Committee and how to apply. She got the information from District office.

There were no further public comments.

President Kalvans indicated that he would appoint, with Board consent, Laverne Buckman and Travis Dawes, to this Citizen's Committee and asked to structure the Committee work to year-

round term; to serve with criteria outlined and presented in written report to Board. Also, to have staff continue open solicitations for more participation with reporting back, as needed, to O & P Committee and Board.

Board consented to appointments as presented with the added understanding and statement by President. Consent was given by unanimous voice vote in favor of appointments and added direction to staff.

President Kalvans asked the GM to introduce the next item.

18. Discuss a General Manager's Report on Estrella-El Pomar-Creston Water District Formation

GM stated that a written report about the status of the Estrella-El Pomar-Creston Water District (hereafter called EPC) is under review by the Local Agency Formation Commission (LAFCO).

GM described the implications for SMCSD regarding the encroachment of another water district jurisdictional boundary to the east, west and south of SMCSD. Also, spoke about the need to create or change an existing committee to deal with GSA related issues and matters, including this type of agency formation that is directly tied to water and Basin overdraft issues and matters.

Director Parent spoke about the need to be protective of District's boundaries and asked whether application to LAFCO was made. GM directed his attention to the written report.

Director Buckman stated that this proposed new water district is not a good idea and thinks it is important for SMCSD to do something to stop or change what is being done to include properties that are within SMCSD's influence or close enough to be provided services by the District.

Director Reuck agrees that it is important to protect District boundaries as well as the resource.

President Kalvans asked if there were any public comments.

Laverne Buckman spoke about the Board's need to send a letter to LAFCO opposing the formation that would include all the proposed properties as currently shown. She stated that there has been no talk yet about why it is attractive for these owners to join this proposed water district.

Scott Young, a resident, spoke about SMCSD being inclusive of other community members to serve or help with GSA related matters on water, even outside of the CSD boundaries.

Directors resume comments with discussion about converting Water Conservation Ad-Hoc Committee to a GSA Advisory Committee comprised of Directors Green and Kalvans. Gave direction to GM to work on setting up a meeting and get organized for GSA matters.

Directors also discussed putting together a town hall meeting for informational purposes and directed staff to prepare a letter to LAFCO regarding the proposed EPC water district formation.

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President Kalvans introduce the added agenda item and spoke about the reason this item was needed and added to the agenda. He asked for this item because there is an apparent need for the Board to show its ongoing support of the volunteer firefighters on behalf of the entire San Miguel community. Therefore, he is presenting Resolution No. 2017-02 in support of SMCSD firefighters and requests Board support and approval.

19. Discuss approving Resolution No 2017-02 In Support of SMCSD Firefighters

There were no Board or public member comments or questions.

President Kalvans made a motion to approve the submitted resolution, seconded by Director Buckman. Motion approved by roll call vote: 5 AYES, 0 NOES>

XII. BOARD COMMENT:

President Kalvans asked if there were any further Board comments to be made. There were no Board comments.

President Kalvans adjourned meeting at 9:27 pm.

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