

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
OCTOBER 24, 2019 REGULAR MEETING MINUTES

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

- I.** Meeting Called to Order by Vice President Green – 6:30 P.M.
- II.** Pledge of Allegiance lead by Director Kalvans.
- III. Roll Call:** Directors Present: Green, Parent, Palafox, and Kalvans
Directors Absent: Sangster
District Staff in attendance: Tamara Parent, Kelly Dodds, Paola Freeman, and District General Counsel Seikaly
District Staff Absent: Interim General Manager/ Fire Chief Rob Roberson, Assistant Fire Chief Scott Young
- IV. Adoption of Regular Meeting Agenda:**
Director of Utilities Kelly Dodds explained that Action Item #4 will be asked to be tabled Discussion ensued about putting Action Item 9 in front of Action Item 2
Motion by Director Kalvans to adopt Regular Meeting Agenda with changes moving Item in front of item 2.
Seconded by Director Parent Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT
- V. ADJOURN TO CLOSED SESSION:**
Closed Session convened at 6:34 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)
Unrepresented Bargaining Units: Non-Management Non-Confidential Unit and Non-Management Confidential Unit

- 3. CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION** Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9

VI. Call to Order for Regular Board Meeting/Report out of Closed Session: 7:02 P.M.
Report out of closed session by Director Green, Direction was given and no reportable action.

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

VIII. Special Presentations/Public Hearings/Other: None

IX. STAFF & COMMITTEE REPORTS:

- 1. San Luis Obispo County Sheriff** No Report
- 2. San Luis Obispo County Board of Supervisors** John Peschong in attendance voiced that the Basin Meeting on October 23 was a short meeting. San Luis Obispo County Supervisor Peschong thanked District Engineer Blaine Reely for coming to the meeting on October 22nd and had a good discussion on grant monies. San Miguel was a topic of discussion and the need for infrastructure funding. Discussion of an urgency ordinance about water and the discussion will be about small farmers and hopes to get that passed to help the small farmers.
Board Comment: None
Public Comment: None
- 3. San Luis Obispo County Planning and/or Public Works** No Report- Board Clerk explained that she was able to contact the Deputy Director and he has informed her that he will try and have a report in the future if there is information for San Miguel.
- 4. San Miguel Area Advisory Council** No Report
- 5. Camp Roberts—Army National Guard (LTC Horvath)** LTC Horvath in attendance and explained that September and October are slow months for them. Over the past year, Camp Roberts has hosted over 200,000 troops. November will see 600 troops training. Discussion ensued about the recent fire on the east side of the property.
Board Comment: None
Public Comment: None
- 6. Interim General Manager:** Interim General Manager/ Fire Chief Rob Roberson was not in attendance due to vacation.
- 7. District General Counsel:** Presented by Counsel Seikaly. ChurchwellWhite, LLC. Explained that the SLO County District Attorney informed her that K. Johnson was trying to divert for mental health reasons. They will return to court on Nov 7th, 2019.
Board Comments: None
Public Comments: None
- 8. District Engineer:** Written report submitted as-is. Dr. Blaine Reely asked for any questions.
Board Comments: Director Green asked Dr. Reely to verbally update. Dr. Reely voiced what the water usage and updates on projects and developments. Peoples Self-Help Housing is close to completion and so is Nino for tract 2527 Mission Gardens. Tract 2779 should be starting to build as soon as Mission Gardens are done. Dr. Reely also

informed the Board that he has gone to a few SLO County Supervisor meetings for the District.

Public Comment: Owen Davis San Miguel Resident asked that Dr. Reely give a verbal update for people who do not use computers.

9. **Director of Utilities:** Written report submitted as-is. Director of Utilities Kelly Dodds updated the Board that the District has received \$112,000 from the IRWMA grant for study and should be receiving the rest soon. Mr. Dodds explained that one of the Aerator has died and is working on a plan for a replacement for the specialty motor.

Board Comment: Director Green if was less than five years old and if there was any warranty on it. Director of Utilities Kelly Dodds explained that it is not under warranty. Director Parent asked about a re-wind of the Motor? Director of Utilities Kelly Dodds explained that it is new motor time and is looking around \$10,000 for replacement.

Director Green asked about landscaping and where we are with getting an MOU with the County and the chamber. Director of Utilities Kelly Dodds explained that he is working on it and because it is County property there will need to be an MOA and is working with the Conservation group for funding. Director of Utilities Kelly Dodds explained that he is testing wattage with new LED across the street from CSD and will be changing them all out to LEDs with Jazzy Town. PG&E has the list and should be changing out once they have time.

Director Kalvans voiced that he would like to have an ordinance for the development of the east-side of Mission St. that the developer would have to develop Director Kalvans would also like to maintain the landscaping and lighting with County standards.

Director Kalvans asked how the E-waste and the Mattress recycling was going. Mr. Kalvans asked if the District gets paid for this program. Director of Utilities Kelly Dodds explained that we do not get paid for the program, but it also doesn't cost anything. Mr. Dodds also explained that we are getting a lot of mattresses and a few e-waste.

Director Green asked about the arsenic levels. Director of Utilities Kelly Dodds explained that the arsenic levels run under seven and the last lab test was 5 ppb. blended.

Director Kalvans asked about the N street property (L-Shaped) that the County acquired in the tax liens. SLO County Supervisor Peschong was in attendance and voiced that he had just discussed that with someone but could not recall the conversation but would follow-up and send out an email. Discussion ensued with what Director Green would like to have a drive-through Fire Department.

Public Comments: None

10. **Fire Chief & Asst. Fire Chief:** Fire Chief Rob Roberson, submitted the report as written. Chief Roberson and Assistant Chief Scott Young were not in attendance due to scheduled vacations.

Board Comments: Director Green voiced that he was disappointed that both were on vacation at the same time. Director Green voiced the number of calls to date.

Public Comment: None

X. CONSENT ITEMS:

1. **Review and Approve Board Meeting Minutes**
 - a) 08-22-2019 Draft Regular Board Meeting

Board Comment: None

Public Comment: None

Motion by Director Kalvans to approve Consent items 1.a

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

XI. BOARD ACTION ITEMS:

1. **Review, Discuss, Receive and File the Enumeration of Financial Report for September 2019.** Item was presented by Bookkeeper Paola Freeman explained that she has caught up on the financials that she has been working with Cramer & Assc. and voiced that Darsha should not be coming as often as she has. Mrs. Freeman voiced that still working on payroll issues but should be resolved.

Board Comment: None

Public Comment: None

Staff Comment: Accounts Manager/Board Clerk Tamara Parent voiced that the Cash report was fixed and all of Cantella investments show only in the Lighting Department.

Motion by Director Kalvans to Receive and File the Enumeration of Financial Report for September 2019.

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

2. **Discussion on the status of Machado Wastewater Treatment Facility expansion and aeration upgrade project.** Item presented by Director of Utilities Kelly Dodds explaining That in August the plant averaged 147,251 gallons per day (73% of hydraulic design capacity) with a max day of 181,682 gallons (91% of hydraulic design capacity).

Board Comments: Director Green voiced that we are past what the State wants for capacity. Discussion ensued about state requirements and the District's plan with the new Wastewater Facility.

Director Kalvans voiced his concerns with the RFP, and that he feels that until the Districts November 14th Functional Space Work Session; decisions can't be made. Director of Utilities Kelly Dodds explained that the RFP is asking for an overall design for all buildings, and that portion would be held off until decisions are made through the work session. Director Kalvans voiced that he was concerned about spending monies for design when it needs to be discussed, Mr. Dodds assured Director that it will wait for that portion, but other design needs to be started.

Director Green voiced that he would like to have some conceptual drawings for the Work Session.

Public Comments: Owen Davis San Miguel Resident voiced that he was worried about the amount of sewage from homes with large amounts of people living in them. Discussion

ensued about the code enforcement for large amounts of people living in single family residence. San Luis Obispo Board supervisor John Peschong voiced that he would look into it and send information to Board Clerk.

- 3. Review and approve Resolution 2019-33 authorizing the Director of Utilities to enter into a contract with Monsoon Consultants in an amount not to exceed \$178,000 for Project Management, Civil & Architectural Design development for the Machado Wastewater Facility Expansion.** Item presented by Director of Utilities Kelly Dodds asking the Board of Directors to award a contract to Monsoon Consultants for overall site development of the Wastewater Treatment Plant. Mr. Dodds explained that this does include the building and reassured the Board that nothing will be started until the November 14th Functional space work session.

Board Comment: Director Kalvans voiced that he wanted to go on record that this needs to be held-off till Function Space Work Session. Director Kalvans asked what the design life was? Director of Utilities Kelly Dodds explained that the design life is for 30 years and build-out is estimated for 600,000 gallons a day and the Headworks would handle that quantity. Discussion ensued about build-out in San Miguel and the design life of the treatment facility.

Director Green asked if Supervisor Peschong has been able to let planning understand where the District is in regards to the cost of growth, Director of Utilities Kelly Dodds explained that he has a meeting next week and wants to move the District into a more proactive relationship with the County to work together.

Director Kalvans asked that the Board has an update on building from the San Luis Obispo Planning Department.

Director Green asked if this cost was looked at in the Pro 218 rate study? Director of Utilities Kelly Dodds explained that yes this is part of the funds identified in the 218 Process and that potentially reimbursable with grant awards that are waiting for confirmation for this work.

Director Parent asked the District Engineer with comparable projects where does this project range? District Engineer Blaine Reely explained it is in the 8.5-million-dollar range and is comparable to other large public works projects for engineering design, and it is around five percent and so a fair price is around the four-hundred-thousand-dollar range. Discussion ensued about Environmental Design and Process Design costs.

Director Green asked about public dump stations and commercial dump stations? Director of Utilities Kelly Dodds explained that this would be a benefit to the community and would be little expense to the district, might even bring in some revenue.

District Engineer voiced that the existing plant will need to stay operational while the new plant is being built.

Public Comment: None

Motion by Director Parent to approve RESOLUTION 2019-33 authorizing the Director of Utilities to enter into a contract with Monsoon Consultants in an amount not to exceed \$178,000 for Project Management, Civil & Architectural Design development for the Machado Wastewater Facility Expansion

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

- 4. Review and authorize the release of an RFP for Environmental services including technical studies and related state, regional and federal permitting.** Item presented by Director of Utilities Kelly Dodds explained that this is needed for environmental services and is minimal cost to the District for posting of the Request For Proposal.

Board Comment: Director Palafox asked if this was needed for grants? Director of Utilities Kelly Dodds and District Engineer explained that Environmental Services are needed to do anything at the new facility, but it very helpful to have this study done before grants are applied.

Director Kalvans asked about Kit Fox fees. Director of Utilities Kelly Dodds explained that there will be a fee for the mitigation of the Kit Fox even if there is an animal of not. Director Parent asked what the sunset was for this service and would like to schedule so it doesn't have to be redone. Director of Utilities Kelly Dodds explained that it will be done based on the construction schedule.

Public Comment: None

Motion by Director Parent to authorize the release of an RFP for Environmental services including technical studies and related state, regional and federal permitting.

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

- 5. Review and authorize the release of an RFP for Design-Build delivery services for wastewater treatment plant upgrade and expansion–** *Tabled at the adoption of the meeting agenda. Intent to bring back in November.*

- 6. Review and approve Resolution 2019-37 authorizing the Director of Utilities to sign and submit applications for grants and loans, on behalf of the District, for the purposes of securing funding for the Machado Wastewater Treatment Facility Expansion/ Upgrade.** Item presented by Director of Utilities Kelly Dodds explaining that he had come across needing this authorization when looking at these loans through USDA and grants. Discussion ensued about all grants and loans coming to the Board of Directors for final approval.

Board Comment: None

Public Comment: None

Motion by Director Parent to approve Resolution 2019-37 authorizing the Director of Utilities to sign and submit applications for grants and loans, on behalf of the District, for the purposes of securing funding for the Machado Wastewater Treatment Facility Expansion/ Upgrade with all loans and grants coming to Board of Directors for final approval.

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

7. **Review and approve RESOLUTION 2019-34 adopting a revision to the San Miguel CSD Application for Water, Wastewater, Street Lighting, and Solid Waste Will Serve** and associated fees. Item presented by Director of Utilities Kelly Dodds explaining that Due to the expanding services and additional interest in a building within the District, it has become evident that some services were missed in the last revision of the will serve application and fee schedule. Specifically, the following should now be incorporated into the application and fee schedule. 1. Street lighting and solid waste were added to the application to account for time and recourses spent processing, reviewing and inspecting lighting and solid waste facilities 2. Review and inspection of fire lines and fire hydrants; 3. Review of solid waste management for commercial and multifamily development; and 4. Review of landscaping for commercial and multifamily development. These changes will become effective once approved by the Board. These changes will not change any projects already under construction with active will serves. These fees are for cost recovery only, no excess revenue is anticipated

Board Comment: Director Kalvans asked about plan check fees for lighting and solid waste, fall under commercial and multifamily and is it in signal-family for landscaping and adopting County standards. Director of Utilities Kelly Dodds explaining that this is for Commercial developments and we do not require signal-family to have street lighting. Discussion ensued about street lighting for developments and what is new or previously adopted. Director Kalvans voiced that he would like to see landscaping and asked about what the District defines Commercial AG within the district boundaries. It was explained that at this time the District doesn't provide water or sewer services to any of the Ag properties in San Miguel and the District sees the permit from the County. The County reviews landscaping with each building permit. Discussion ensued about what the District inspects. Director Kalvans asked if there are plans to bring back inspection fees for purple pipe/ recycled water? Mr. Dodds explained that will be included in the Recycled Water Ordinance.

Public Comment: Owen Davis San Miguel resident asked what the District has to do with "Solid Waste" and voiced that he feels that San Miguel Garbage is great. Director Green explained that the District Board of Directors handles their contract. Director of Utilities Kelly Dodds explained that San Miguel Garbage is our franchisee and this resolution changes nothing with Solid Waste.

Motion by Director Parent to approve RESOLUTION 2019-34 adopting a revision to the San Miguel CSD Application for Water, Wastewater, Street Lighting and Solid Waste Will Serve and associated fees.

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

8. **Review and approve RESOLUTION 2019-35 adopting a fee schedule to recoup costs related to services available from the District.** Item presented by Director of Utilities Kelly

Dodds explaining that order to include a fee for performing a fire flow on a hydrant or main. This fee would recoup the cost for operators to perform the fire flow and to pay for the water lost in the process. Fire flows are normally requested in relation to new commercial or multifamily construction where automatic fire sprinklers are required, or peak water demand is high. Generally, single-family homes do not require full fire flows to be performed to complete their automatic fire sprinkler calculation, so this fee should not impact single-family construction.

Board Comment: Director Green asked if other Districts have this fee? Director of Utilities Kelly Dodds explained that most other districts have this fee because it does take staff time. Director Parent asked about static flow and residual flow. Director of Utilities Kelly Dodds explained that you must flow the hydrant to get the correct calculation for fire sprinkler plans.

Director Green asked about Doorhanger fees, Accounts Manager voiced that she has not seen much of a change; the same people every month. Discussion ensued about fees.

Public Comment: None

Motion by Director Green approve RESOLUTION 2019-35 adopting a fee schedule to recoup cost related to services available from the District

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

9. Review and approve Resolution 2019-38 authorizing the purchase of a replacement water meter for Lillian Larsen Elementary School and authorizing a budget adjustment for \$3,914.00 to the Water Department water meter replacement budget.

Item presented by Director of Utilities Kelly Dodds updating the Board of Directors that the electronic register on the 6” meter that was installed in 2009 is failing. The approved 2019-20 budget is not sufficient to fund the needed replacement, which is why the request is being brought to the Board.

Board Comment: Director Green asked how many 6” meters the District has? Director of Utilities Kelly Dodds explained that the District has two meters that are 6” meter. Discussion ensued about how that meter was read and what could be changed for safety. Director Kalvans asked if it is radio read? Mr. Dodds explained that yes, but it is hard to get a radio readout of a steel box and we are looking at a safer way to read the meter. Director Palafox asked if this budget adjustment is for one-line item only? Mr. Dodds explained that is correct only one-line item 525 in the budget for \$3,914.00

Public Comment: Owen Davis San Miguel Resident asked if the cost is for the meter or the labor? Director of Utilities Kelly Dodds explained that the labor will be in-house and the cost is the cost is for the Mastermeter.

Motion by Director Parent approve Resolution 2019-38 authorizing the purchase of a replacement water meter for Lillian Larsen Elementary School and authorizing a budget adjustment in an amount of \$3,914 to the water department water meter replacement budget.

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

XII. BOARD COMMENT: Director Green reminded everyone that there is a scheduled “Functional Space Work Session” on November 14, 2019 at 6:00 P.M. and is opened to the public.

Director Parent voiced that he had the opportunity to visit Fluid Resource Management – Cloacina plant and explained that he was very impressed with their innovation. Mr. Parent voiced that they are very accommodating with tours and feels that all Directors should go. District Engineer Reely explained that any Director that wants to go should call him and he will set up a tour for them.

Director Kalvans asked about the Rate Increase Resolution Discussion. Director of Utilities Kelly Dodds explained that it is scheduled for November Meeting.

Director Kalvans voiced that he has some information regarding Property Tax and alternative Rate Structure for our water. Director of Utilities Kelly Dodds asked that he email the information.

XIII. ADJOURNMENT TO NEXT MEETING 11-14-2019 Special Work Session Meeting:
Adjournment at Approximately 8:34 P.M.