

SAN MIGUEL COMMUNITY SERVICES DISTRICT
 BOARD OF DIRECTORS
 JUNE 28, 2018 REGULAR MEETING MINUTES
 MEETING HELD AT DISTRICT OFFICES
 1150 MISSION STREET
 SAN MIGUEL, CA 93451

- I. Meeting Called to Order by President Green – 6:10 p.m.
- II. Pledge of Allegiance lead by President Green.
- III. **Roll Call:** Directors Present: Green, Parent, Buckman, Sangster, and Kalvans

District Staff in attendance: Rob Roberson, Tamara Parent, Kelly Dodds, and District General Counsel Schweikert, closed session District General Counsel Siekaly.

IV. **Adoption of Regular Meeting Agenda:**

Motion by Director Parent to adopt Regular Meeting Agenda.

Seconded by Director Sangster Motion was approved by vote of 5 AYES and 0 NOES and 0 ABSENT

V. **ADJOURN TO CLOSED SESSION:**

Closed Session convened at 6:11 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

3. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** (Pursuant to Government Code §54957)

Title: Bookkeeper

4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Pursuant to Government Code §54957)

Title: Fire Chief

5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Pursuant to Government Code §54957)

Title: Assistant Fire Chief

VI. Call to Order for Regular Board Meeting/Report out of Closed Session: 7:01 P.M.
Report out of Closed Session by District General Counsel Schweikert: Direction was given to staff.

VII. Public Comment and Communications for matters not on the Agenda:

VIII. Special Presentations/Public Hearings/Other:

1. CONTINUATION PUBLIC HEARING: ADOPTION OF WATER AND SEWER RATES: Public Hearing closed on 5-24-2018 @9:16 P.M.- Discussion being continued from May 24th, 2018 and May 31st, 2018; Board Meeting.

Pursuant to Article XIII (D) of the California Constitution that San Miguel Community Services District is holding a public hearing as part of the District's Board meeting to consider increasing its rates for water and wastewater services.

Board Comment: Director Buckman voiced that either way this goes with the rate increase he would like to relook at the District Ordinance reviewing sewer line connections for people that are within the District and are not hooked up yet to the District sewer and are on septic. Discussion ensued about the conditions of hooking up to District sewer system.

Director Kalvans brought rate proposal forward voicing that he would like to see the District lower the rates and spread it out longer but get to the same place. The public has made it clear that it is just too high of an increase.

Director Sangster voiced that he feels that if the District keeps running in a deficit it would be very detrimental to the District.

Director Kalvans asked District General Counsel why his proposed cost for the Riverzone charge was not legal, per District Rate Study consultants?

District General Counsel Schweikert, explained that your only allowed to charge, only the amount that it takes to provide that service and share that cost, to provide service to the users. The Lift Station for example, the cost is just for the Riverzone, and the fee is for only that project because you can only put the burden of what it cost to provide that service on that project, and you can't burden the rest of the users.

Director Kalvans asked the Director of Utilities, Kelly Dodds about the philosophy, that any district who raises their rates and that the people will stop using water or cut back a lot; and bring us back into a deficit. Director of Utilities, Kelly Dodds explained that the District even in the last few years of the drought did not see much of a reduction in water

use. We do understand that people will see an increase in the bill and will not use as much water.

Director Green asked when the meters are read every month, because he would like to use the five units of water for the base price. Mr. Dodd's explained when the District does billing, and Director Green explained that he had a problem with the way the Resolution reads; beginning on July 1st, and voices that it needs to be adjusted. He would like it to be adjusted to the 15th of the month because of billing periods. He voiced that he would like the new rates to start in October.

Director Parent asked Director Green if he was making a motion. Director Green said that "No, and there is no way he would make a motion on this, and that he would let someone else do it."

Motion by Director Parent to "End Debate".

Director Green voiced, does that mean you don't want to discuss it any longer, and why Director Parent would not just Motion.

Director Parent, motioned to end debate and pass resolution 2018-19 with start date for new rates to be August 15th billing period.

Director Kalvans called point of order, and asked Counsel if there could only be one motion at a time on the table.

District General Counsel Schweikert, explained that there is a motion and a second to "End Debate".

Voice Vote on "End Debate" Seconded by Director Buckman. Motion was approved by Vote of 3 AYES and 2 NOES and 0 ABSENT.

Discussion ensued

Director Kalvans Motions to reopen Public Comment. Because the public has shown up and he would like to give them the chance to speak. Public spoke in favor of Director Kalvans Motion.

Director Sangster asked District General Counsel if the Board of Directors could open public comment due to the Public Hearing being closed per the Prop 218 process. Counsel Schweikert voiced that the Board has already closed public comment for the public hearing, but it is appropriate to take public comment in a public meeting on the agenda item, and because it is on the Agenda it would be appropriate to reopen public comment. The Board Discussion has ended and should go Board Comment then Public Comment.

Seconded by Director Green. Motion Failed by Vote of 2 AYES and 3 Noes

Motion by Director Kalvans for SMCSD infrastructure and Facility Financing Reform Proposal with exemptions to keep the 6" rate would be at the same rate as the others water meter at recommended cost level and keeping the Riverzone fee at the recommended levels. (Full Reform Proposal by Director Kalvans is available at the District Office for review)

Seconded by Director Green. Motion failed by 2 AYES and 3 Noes

Discussion ensued, with Mr. Davis from public asking if the public has a say in this matter. Director Green, voiced that apparently not tonight and that, this was being very well orchestrated. Director Parent voiced that he did not understand and asked if there was an accusation being made. Director Green, voiced that he had never ever been told as a Board Member that "I'm going to end debate" and never been told that the "public can't speak". Director Parent voiced that he never said that the Public could not speak. Mr. Davis informed him that he just did. Interim General Manager Rob Roberson, called point of order, and Director Green asked to move on.

Director Kalvans voiced that debate has been closed and public comment has been denied.

Director Green Asked District Counsel what was next because he could not discuss it.

District General Counsel voiced that a new motion would be needed.

Motion by Director Parent to approve Resolution 2018-19 with a start date of August 15, 2018 to increasing the SMCSD rates for water and wastewater services.

Seconded by Director Buckman. Motion was approved by Vote of 3 AYES and 2 NOES and 0 ABSENT.

District General Counsel Schweikert spoke and informed the Board of Director that he feels that the "Vote is invalid due to no Public Comment".

Director Sangster thanked District Counsel for their direction.

Motion by Director Sangster to nullify vote proposed by Director Parent and reopen public Comment due to General Counsel recommendation.

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

Public Comment: Lisa King, San Miguel Resident explained that she has been into the District office a few times asking questions and feels that the rates are too high for San Miguel residence but des understands that the District must be solvent to get grants. She would like to see the Board relook at the rates next year and reassess next year. She spoke about the SLT blending line and if that gets fixed would it lower the rates. It was

explained by Director of Utilities that, that well is the most expensive to run and it has been fixed, and the rates would not go down.

Allen Belden, San Miguel Resident spoke that he did not like the situation and that the District is trying to decide when the rates will go into effect, and that the District doesn't know what the rates will be.

Public Comment closed by Director Green.

Motion by Director Parent to approve Resolution 2018-19 with a start date of August 15, 2018 to increasing the SMCS D rates for water and wastewater services.

Seconded by Director Sangster. Motion was approved by Vote of 3 AYES and 2 NOES and 0 ABSENT.

2. PUBLIC HEARING: Consider Adoption of Resolution No. 2018-15 Adopting the FY 2018-19 Operations and Maintenance Budget.

Recommendation: Review and Discuss Approving Resolution 2018-15 Adopting the 2018-19 FY Budget.

Item presented by Interim General Manager Rob Roberson explaining that the Board of Directors and District Staff had a special meeting on Saturday June 23rd at 9: A.M. to go over each line and had discussions. Mr. Roberson explained that direction was given to staff regarding changes to the Budget FY 2018-19 requested by BOD and was changed at meeting and printed to give time for review before this regular Board Meeting.

Board Comment: None

Public Comment: Owen Davis, San Miguel resident voiced his frustration with Director Parent, and spoke of the financials and rate increase.

Motion by Director Buckman to approve Resolution 2018-15 Adopting the 2018-19 FY Budget.

Seconded by Director Parent. Motion was approved by Vote of 3 AYES and 2 NOES and 0 ABSENT.

3. PUBLIC HEARING: Consider approving Resolution No 2018-20 confirming the 2018 Weed Abatement Cost Report and Authorizing Collection of the charges on the County Tax Rolls.

Recommendation: That the Board of Directors approve the Cost Report for the 2018 Weed Abatement Program (Exhibit "A" to **Resolution 2018-20**)

Item presented by Interim General Manager/Fire Chief Rob Roberson, explaining that this resolution is to collect the Districts Weed Abatement Cost and Authorize the collection through the SLO County Tax Collector.

Board Comment: None

Public Comment: Laverne Buckman, San Miguel Resident asked Staff if the District actually gets reimbursed. The process was explained, and Staff agreed to have an update on reimbursement for next year.

Owen Davis, San Miguel Resident asked that the District send the owners a bill first before the cost goes on the Tax Bill. Fire Chief Rob Roberson, explained that there are three notices that go out to the property informing the property owner. The process is regulated by the County. Discussion ensued.

Motion by Director Kalvans to approve Resolution No 2018-20 confirming the 2018 Weed Abatement Cost Report and Authorizing Collection of the charges on the County Tax Rolls.

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

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: Verbal Report updating the Board on the financials and working with the CPA and Auditor. The CPA feels there is about thirty hours left to get everything reconciled. The Audit is in process and the Auditor will be in office in the next few weeks. OES payment for the “Thomas Fire” Has been received. Fireworks go on sale and the Department will be busy. | |

Board Comment: None

Public Comments: Nanette asked about the Pool cost for the summer.

7. **District General Counsel:** Presented by District General Counsel Schweikert from ChurchwellWhite, LLC. has nothing new to report.

Board Comments: None

Public Comments: None

8. **District Engineer:** Written report submitted as is. Blaine Reely asked for any questions regarding his report.

Board Comments: None

Public Comments: None

9. **Director of Utilities:** Written report submitted as is. Director of Utilities Kelly Dodds asked for any questions and informed the Board of Directors that a timeline for the Wastewater Treatment Plants upgrade will be coming forward to the Board.

Board Comment: None

Public Comments: None

10. Fire Chief: Fire Chief Rob Roberson, updates the Directors Fire Department calls, and in District Fire response. Camp Roberts and Fort Hunter Ligget will be starting a multitude of drills these next few months with live fire and the District Fire Department expects to be busy working along with Camp Roberts Fire Department.

Board Comments: None

Public Comment: None

X. CONSENT ITEMS:

1. Review and Approve Board Meeting Minutes

5-24-2018 Regular Board Meeting

5-31-2018 Special Board Meeting

Motion by Director Sangster to approve Board Meeting Minutes

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

XI. BOARD ACTION ITEMS:

1. Review, Discuss, Receive and File the Enumeration of Financial Report for May 2018

Item presented by Interim General Manager Rob Roberson explaining that this item is in the action items for discussion. Asked for any questions.

Board Comments: Board would like the District Engineer contract to be emailed to them.

Public Comments: Laverne Buckman, San Miguel Resident voiced that she would like to see the Board of Directors asking more questions about the District Financials. Mrs. Buckman asked about the Budget and feels that the budget needs to be reviewed in October. Consensus of the board was to bring back in October 2018 for budget review. Nannette Roe, San Miguel Resident asked about the Gas credit card and if the changes have been made. Interim General Manager Rob Roberson explaining that they District has changed the Gas Credit Card to one that the Fire Department can use almost any gas station and there will be no fees.

Motion by Director Parent to Receive and File the Enumeration of Financial Report for May 2018

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

2. Review and adopt RESOLUTION 2018-22 the 2018 Sewer System Management Plan audit and update as prepared by Monsoon Consulting (Dodds)

Item presented by Director of Utilities Kelly Dodds and District Engineer Blaine Reely, explaining to the Board of Directors that the SSMP is due to be reviewed every five years,

and the last one was done in 2014. This project was originally brought to the Board with a cost of \$25k and because Mr. Reely let the District do some of the work it only cost \$8,500. There is also a requirement that the Plant is audited every two years and the last one also being in 2014. The results of the audit show any overflows, this District has never had an overflow and that is due to the way the has been maintained and operators. The District does need to work on maintenance records, like when and which lines have been cleaned and when. Training requirements need to be implemented for the utility workers.

Board Comment: Director Parent asked if the Training is confined space?

Director Green asked about record keeping.

Director Buckman asked if the company we used for sewer line cleaning documents where they clean. Director of Utilities explained that we clean all the lines when we use them, so it was just marked as all lines.

Director Green asked about the Sewer line cleaning and what the schedule was for cleaning. Discussion ensued, and consensus of the Board is to get bids and bring back purchase of sewer “Jetter” for the Board to discuss.

Public Comment: None

Motion by Director Kalvans to adopt RESOLUTION 2018-22 approving the 2018 Sewer System Management Plan audit and update as prepared by Monsoon Consulting.

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

3. Review and Discuss District projects and accomplishments throughout the 2017-18 fiscal year.

Item presented by Interim General Manager Rob Roberson and Director of Utilities Kelly updating the Board of Directors on the projects and accomplishment of the District Staff.

Board Comment: Director Kalvans asked about the Street Lighting and when that subject will be brought back to the board. August 2018.

Director Green voiced that the District has monies in Lighting and would also like to see more lighting at the Park n’ Ride.

Director Sangster asked about training for “Chain Saw”. Discussion ensued.

Public Comments: None

4. Consideration of RESOLUTION 2018-21 requesting consolidation of the San Miguel Community Services District’s Biennial Election with County’s November 6, 2018 Consolidated General Election.

This item was presented by Board Clerk informing the Board that the District has two seats available for election and this resolution consolidates the election with the Counties General Election. This is a cost savings for the District.

Board Comment: None

Public Comment: None

Motion by Director Kalvans resolution 2018-21 requesting consolidation of the San Miguel Community Services District's Biennial Election with County's November 6, 2018 Consolidated General Election.

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

XII. BOARD COMMENT:

Director Kalvans voiced "there are no words that can quantify what happened tonight" Director Green asked that the board look at having an ordinance banning HOA's from regulating landscaping and water used for landscaping. District General Counsel Schweikert, informed the Board that the Governor enacted conservation, is still in effect and that landlords would just have to put the landscaping in the lease agreement. Discussion ensued. Consensus of board is to bring back an Ordinance in October. Director Green would like to review legal services and have contract or duty statement emailed.

Director Green voiced that leaks should be of the utmost priority to the District, and that leaks should be controlled and fixed within the District sooner.

Director Green voiced that the landscaping on mission street that the District pays for needs to be relooked at. Discussion ensued and Kelly Dodds, Utilities Director will be called if it needs to be shut off due to leaks or overspray.

Director Parent left meeting @ 8:55 P.M.

XIII. ADJOURNMENT @ 9:06 P.M. TO NEXT MEETING JULY 26, 2018